

THE INDEPENDENT

Thursday 13 November 1997

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Doctors tear Louise's defence apart

Medical science will one day show conclusively that Matthew Eappen was the victim of an old head injury says Louise Woodward. Rubbish, reply a group of more than 40 doctors. David Osborne listened to the latest controversy in the Boston nanny case.

A group of 50 paediatricians specialising in child abuse came forward yesterday to denounce the core scientific claims presented by Louise Woodward's defence lawyers in her murder trial last month as "courtroom diagnosis, not medical diagnosis".

The bluntly-worded statement, sent in the form of a letter to US media organisations came hours after Woodward declared in a statement that the "science underlying the case" would one day vindicate her.

During the trial, Barry Scheck, one of Woodward's lawyers, brought a parade of seemingly eminently qualified doctors to the stand to back up his contention that Matthew Eappen suffered a head injury and clot up to three weeks before 4 February and that some kind of mild shock caused a re-bleeding of the clot on that day.

In the letter yesterday, the doctors blasted that claim. "The hypothesis put forward by the defence that minor trauma caused a 're-bleed' of an earlier head injury can best be characterized as inaccurate, contrary to vast clinical experience, and unsupported by any published literature," it said.

The letter, signed by doctors in Boston, Chicago, Maine, and 47 others from the United States, Canada and Australia, said: "The re-bleed theory in infants is a courtroom diagnosis, not a medical diagnosis, and the jury properly rejected it. Infants simply do not suffer massive head injury, show no significant symptoms for days, then suddenly collapse and die."

Dr Robert Reece, a director at the Massachusetts Society for the Prevention of Cruelty to Children, was one of those who authored the letter. "We felt the evidence introduced was erroneous and was being accepted by the court as fact, when it isn't," speaking of the reaction among paediatricians to the evidence he added: "There is major revulsion about this."

Woodward, whose fortunes were so dramatically reversed on Monday when Judge Hiller Zobel cut her conviction in the killing of Matthew Eappen to one of manslaughter and freed her with time served, last night left the Boston airport hotel where she has been staying since her release.

She boarded a ferry in Boston harbour, apparently on her way to a "safe" house which has been arranged so that she can escape the enormous media attention, while lawyers grapple with the complicated appeals process.

Branson to Blair: keep your promises or you lose my backing



Second thoughts: Tony Blair and Richard Branson (right), who now feels 'let down' by Labour over tobacco sponsorship Photograph: David Rose

Virgin boss Richard Branson said yesterday he would have to review his role as an adviser to the Government if it failed to honour its election pledge to ban tobacco advertising and end the involvement of tobacco companies in sports sponsorship.

Mr Branson who had been advising the Government on alternative forms of sports sponsoring told *The Independent* that the ban must include Formula One.

He said he felt let down by the decision to exempt Formula One, headed by Bernie Ecclestone who donated £1m to the Labour Party before the general election. "The whole thing is very sad," Mr Branson said.

Mr Branson said he would be contacting Tony Blair's office "to urge that they stick by their election promise... I have always said that cigarette advertising should be banned.

And I have always said that sponsorship by tobacco companies is immoral."

Even though Mr Branson gave support to some of Margaret Thatcher's projects, he has become increasingly identified with the Prime Minister's drive to modernise Britain. If there were to be a parting of the ways between the two men over tobacco advertising, it would be a serious embarrassment to Mr Blair.

Mr Branson said: "Motor racing is a glamorous sport. Cigarette companies love to attach their wares to it." But the cigarette sponsorship of all sport had to be stopped. If there had to be a phase-out period for Formula One then it should be "as short a time as possible."

Virgin had been advising the Government on ways of finding alternative sponsoring in sport to the tobacco industry. "I had

hoped we could come up with ways of replacing the cigarette companies. I am willing to continue to be involved but we must know that the tobacco industry's involvement with Grand Prix will be limited."

Speaking in Brussels, Mr Branson denied he had made donations to political parties. "Not a penny. I have never given money to anybody."

— Katherine Butler
BA protest, page 16

A decent way of funding our politics: Labour reveals its plan

The Prime Minister yesterday called on Sir Patrick Neill QC, new head of the official sleaze committee, to crack down on all party funding and spending. Our Political Editor, reports the Government's salvage attempt after the Formula One débâcle.

Cabinet colleagues of Tony Blair are privately dismayed by the way in which he handled the donation of £1m from Bernie Ecclestone, the head of Formula One — a donation which is to be returned because of the government decision to exempt the motor racing from a ban on tobacco sponsorship.

The brutal message was pungently put in Commons questions yesterday, when Martin Bell, who replaced Neil

Hamilton on an anti-sleaze ticket in the May election, told Tony Blair: "The perception of wrong-doing can be as damaging to public confidence as the wrong-doing itself."

Mr Bell, a former television reporter, then asked the killer question: "Have we slain one dragon only to have another take its place, with a [New Labour] red rose in its mouth?"

In prolonged exchanges about the affair, Mr Blair told the Commons that Mr Ecclestone's donation had no bearing on the government decision; that Labour had acted swiftly to ensure propriety, not only by seeking Sir Patrick's advice, but by agreeing to return the money as he suggested; and that Sir Patrick was to be asked to open a full-scale, nine-month investigation into party funding — something the Tories had always rejected.

For the Conservative opposition, Mr Hague attacked the Government decision to discriminate between Formula

One and other sports, he spoke of turmoil and chaos and added: "I'm not accusing the Labour Party of being paid to break their promises — they break them for free all the time. Isn't this what happens

BY
ANTHONY
BEVINS

when a party seeks office without a principle, value or belief to its name?"

But senior Labour sources immediately pounced on the fact the Tory leader had not mentioned Mr Ecclestone's £1m — because the Conservative had received £10m and a £4m loan from the same man, who is reputed to earn £54m a year.

A Government source partially confirmed yesterday's *Independent* report that Mr Ecclestone's name was not on any honours recommendation put to No 10 by John Major, so it could not have been struck off by Mr Blair, as some senior Tories had suggested.

The *Independent* was also told yesterday that Lord Hambro, the banker who has also been a Tory treasurer, attended a Chequers lunch with Mr Major and Mr Ecclestone before the election. It is known that Mr Hague put Mr Ecclestone up for a knighthood.

Labour is clearly expecting that the Neill Inquiry will force disclosure of some of the Conservatives' age-old funding secrets. But the Prime Minister's prime aim, as he said three times in the Commons yesterday, is to get Sir Patrick to come forward with a package that will impose "a level playing field" on all parties, in terms of funding and spending.

Mr Blair told the House: "I can confirm today that we are

asking Sir Patrick to look now into the whole area of party funding: whether donors should be disclosed; whether the size of donations should be disclosed; whether there should be a limit on individual donations, whether there should be a limit on overall spending; whether there should be different arrangements altogether, such as increased state funding."

"This is a long overdue investigation. It is one that we urged in opposition when the Conservatives refused to have it. So Sir Patrick will be able to make his recommendations and then we will all be playing on a level playing field."

Earlier Mr Blair gave a complete run-down of the decision-making process on the Formula One exemption, and there was general insistence last night, from Whitehall and Formula One, that exemption was not asked for in the meeting between Mr Ecclestone and Mr Blair on 16 October.

Mr Blair told the House: "I can confirm today that we are

INSIDE TODAY

SEX

And the single train traveller — in *The Eye* JOHN WALSH/21

P-p-picking on Penguin EDUCATION +

The bright ones who can't afford university CELEBRITIES

Stars cash in on Tibet, in *The Eye*

TRAGEDY/19

Shakespearean suffering in Stratford: the twin who could not live with his brother's murder



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TELEVISION The Eye, page 12
CROSSWORDS Page 32 and the Eye, page 9

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TODAY'S NEWS

The end of the Med?

Climate change could ruin the appeal of Mediterranean holiday resorts visited by millions of British holiday makers, Greenpeace warns today. But if forecasts of famine, flood and drought come true, lost tourists could be the least of the problems. Food shortages and disease epidemics could devastate vast areas. Page 3

To hell, says Murdoch

Rupert Murdoch yesterday vowed there would be no let up in the newspaper price war which he started four years ago. He hit out at critics during BSkyB's annual general meeting, saying there was "no way" he would call a truce. "No one else wants to call a truce, they insult me every day, so they can go to hell," he said. Page 24

A gamble too far

Gamble while you drink lotteries with up to 12 draws an hour and a jackpot of £100,000 will be launched in 2,000 pubs, bars and cafes across Britain this month. But the government is poised to announce legislation to ban them because it is worried that a mix of gambling and alcohol is too potent. Page 3

COLUMN ONE

Moulin Rouge strikers kick up a storm

The cancan has become, temporarily, the can't-can. A week after the ending of the lorry drivers' strike, the French disease has spread to the Moulin Rouge, the Paris night-club beloved of Toulouse-Lautrec and coach-parties of pensioners from Bognor.

Nineteen technicians are on strike - and have been fired - in a dispute over bonuses. Performances continue, after a fashion. In fact, they are, arguably, more startling than ever.

During one show, the management spitefully lifted the back-drop during the "grand spectacle" of the Doriss Girls. In the midst of the naked buttocks and boobs, the striking technicians were shamelessly exposed, sitting in on the rear of the stage in their blue overalls. A member of the management then strode onto the stage with a microphone and gave a short speech to the bemused audience, in French and in English, exhorting the strikers.

The technicians' union roundly condemned this humiliation of its members yesterday as an "act of brutality". Patrick Ferrier, secretary general of the national union of theatre technicians, said that his men were "beyond anger" that they had been made to appear involuntarily (albeit fully dressed) in the show. "It is a question of dignity and human respect," he said.

The theatre management, with the help of a few non-striking technicians, is putting on two performances a night, at a minimum of £75 a head. Many of the elaborate light effects and scene changes for which the Moulin Rouge is famous have been cancelled or reduced. The tank of live crocodiles, introduced to spice up the act recently, is still appearing, however.

So are the one hundred Doriss Girls. Union officials say the dancers are sympathetic to the strikers' cause but they are all on short-term contracts and cannot afford to annoy their bosses. Much the same applies to the crocodiles.

The Moulin Rouge (red windmill), on the Boulevard de Clichy in the now seedy Pigalle area of Paris, remains a popular spot. Its great days - chronicled by the painter Toulouse-Lautrec and ornamented by le pétonane, the man who could fart in tune - are long gone. Few Parisians would dream of going there any more: the capital has far more exotic and extreme spectacles to offer. But the Moulin keeps turning with the support of foreign tourists and nostalgic visitors from provincial France.

— John Lichfield

PEOPLE



'Exceptional' judge goes to jail for drink-driving

Judge Angus MacArthur, who took early retirement three days ago, was last night starting a prison sentence after admitting his third drink-driving offence in 12 years.

The former county court judge was jailed for 28 days. He was described in Peterborough magistrates' court as a "broken man" upon whom the loneliness and stress of being a judge had taken its toll.

Mr John Henson, defending, said his client, who was regarded as a fair judge with an "exceptional" judicial mind, had suffered vilification in the press and was regarded with disdain by some members of the public as a result of his drink-driving offence.

Passing sentence, stipendiary magistrate Ronald Bartle said: "There is no more painful task than for one member of the judiciary to pass sentence on another. But I have to bear in mind that the law must be even-handed. Those of us who administer law to others have a special responsibility to obey the law ourselves."

MacArthur, 55, of Stamford, Lincolnshire, who sat mainly at Peterborough County Court, close to yesterday's hearing, was also fined £2,000, ordered to pay £100 costs and disqualified from driving for 10 years. He is believed to be only the second judge to be imprisoned in Britain.

The Lord Chancellor's department said MacArthur was suffering from alcohol dependence and depression and his medical condition was such that he was no longer able to discharge his judicial duties.

The court had been told that MacArthur, who was divorced and lived alone, had twice the legal limit of alcohol in his blood when he was involved in a minor car accident in Peterborough a month ago. MacArthur's first drink-driving offence had been committed in 1985, and the second in 1993, when he was fined £3,000 and disqualified from driving for two years.

— Michael Streeter, Legal Affairs Correspondent

Gardener finds cold comfort in employer's will

A gardener who worked for seven years without pay for a wealthy widow who promised she would leave everything to him in her will, but who changed her mind before she died, lost his claim in the High Court yesterday.

Bob Taylor, 57, had been expecting to inherit a £250,000 home with large gardens in Crowthorne, Berkshire, when Gertrude Parker passed away last year.

Instead, he received a cheque for £1,000 and discovered that the bulk of Mrs Parker's estate had been left to one of her carers, Margaret Boshier. But a High Court judge ruled yesterday that there was no law forcing anyone to keep a promise and "nothing unfair, unjust or morally objectionable to Mrs Parker's change of will in 1995".

"What could be criticised," he said, "was not telling Mr Taylor at the time when he was working without pay."

Mrs Parker had made him the promise in 1988 and in 1991 after she became concerned about what would happen to her home and her two cats when she died. Mr Taylor, who worked in the gardens of

Heathdene for 21 years, was so grateful that he did not ask for payment for the work in the garden or for the increasing number of odd jobs he carried out for her. But Mrs Parker grew worried about Mr Taylor's work in the garden. So she changed her will, but said that she was too "frightened of a confrontation" to tell Mr Taylor, and "took the coward's way out".

Asked if he felt any bitterness towards Mrs Parker, he replied, "No, I loved the lady... I am just sorry it has gone this way."

— Amanda Kelly

UPDATE

HEALTH

Radiation risk to genes may worsen

Genetic damage caused by radiation may grow worse with each new generation, new research has shown.

The discovery from studies of mice could lead to a re-evaluation of radiation safety guidelines in medicine and industry, it was claimed yesterday. No evidence has emerged until now that radiation can have a lasting effect passed from generation to generation.

The bombing of Hiroshima and Nagasaki raised fears of inherited radiation damage. But studies of the descendants of the A-bomb survivors found no sign of this was happening. The dearth of mutations in later generations was thought to be the result of sperm and eggs repairing their DNA or the destruction of hopelessly damaged cells. But new research from the University of California at Davis has resurrected the spectre of generational radiation damage.

ENVIRONMENT

Benefits of the royal farm organic



Government research scientists have backed the Prince of Wales's claims about the benefits of organic farming. Prince Charles, who has long championed traditional, non-chemical farming methods, turned his Home Farm over to the Government's three research councils for investigation. The organic system has been used at the farm, which borders the Prince's home at Highgrove, Gloucestershire, for 11 years. The results of the study revealed clear economic and environmental benefits, according to Richard Aylard, an environmental adviser, and former private secretary to the Prince.

Correction

The Bush Theatre has asked us to point out that, while its 'Arts for Everyone' lottery application was indeed turned down, its core grant has not been cut, as was suggested yesterday in our article on the venue's 25th anniversary.

TOURIST RATES

Australia (dollars)	2.34	Italy (lira)	2,768
Austria (schillings)	19.75	Japan (yen)	209.60
Belgium (francs)	58.07	Malta (lira)	0.62
Canada (\$)	2.33	Netherlands (guilders)	3.17
Cyprus (pounds)	0.82	Norway (kroner)	11.55
Denmark (kroner)	10.77	Portugal (escudos)	285.20
France (francs)	9.40	Spain (pesetas)	236.70
Germany (marks)	2.82	Sweden (kroner)	12.38
Greece (drachme)	444.50	Switzerland (francs)	2.30
Hong Kong (\$)	12.74	Turkey (lira)	300.267
Ireland (punts)	1.08	USA (\$)	1.66

Source: Thomas Cook
Rates for indication purposes only

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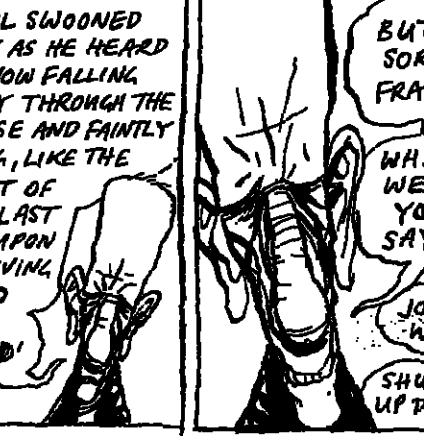
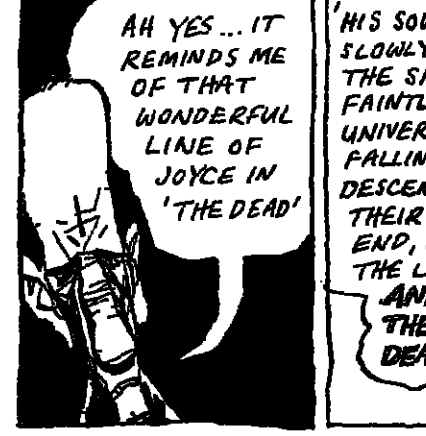
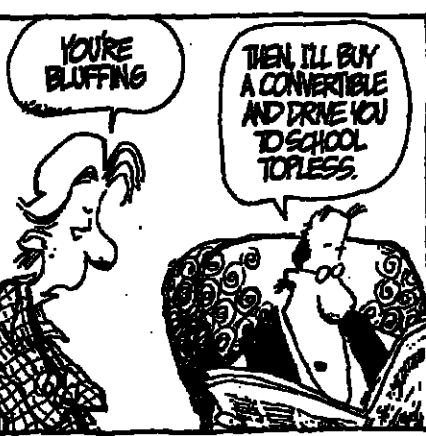
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ZITS

by Jerry Scott & Jim Borgman

7.30 FOR 8

by Chris Priestley



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3/LEADING STORIES

THE INDEPENDENT
THURSDAY
13 NOVEMBER 1997

Lottery rival faces ban as MPs voice addiction fears

Gamble-while-you-drink lotteries with up to 12 draws an hour and a jackpot of £100,000 will be launched in 2,000 pubs, bars and cafes across Britain this month. The Government is poised to announce legislation to ban them, but is its decision justified? **Fran Abrams** asks why ministers believe that this is a punt too far.

To its opponents, it is a social evil which will create a lethal mixture of alcohol drinking and addictive gambling. To its supporters, it is a charitable enterprise which will cause less harm than fruit machines or scratch cards. But one thing is certain: rapid-draw lotto is coming to a bar near you.

Inter Lotto, the company which is running the new game in conjunction with charities such as Mencap and the Cystic Fibrosis Trust, is fighting a rear-guard action against ministers who have privately signalled their intention to ban the game. But even if the firm fails, the venture will run for at least six months while a new law is passed to stop it.

The organisers plan to build up to 10,000 outlets with an estimated annual turnover of £500m, of which the charities will receive £100m plus any unclaimed prizes.

This week, more than 40 Labour MPs backed a Commons motion calling for a ban on the game, which already exists in the US, Australia and Canada. It was drawn up by Claire Ward, the MP for Watford, who believes *Promio!* will be a step too far.

The game will bring drinking and gambling for high stakes into close proximity, she says, and will also hand over too small a proportion of its profits to

charity. The national lottery gives 28 pence in the pound to good causes.

"I'm not anti-gambling. I never have been and never will be. But sometimes you have to draw the line and way we have got all these things, do we want to take another step forward? I don't think we really do," she said.

Inter Lotto is chaired by Lord Mancroft, a Tory peer. He described the Government's proposed ban as "ridiculous, farcical and childish".

"I don't know what the Government's motivation is. It's like trying to comment on a blanchage which I can't get my hands on. Every time I have heard from them or spoken to them they have come up with something different," he said.

A proposed consultation had turned into a mere "seeking of views" and then into a straightforward ban, he said. It was unfair for the Government to talk of banning *Promio!* when pubs already had 150,000 slot machines. The new game would be run as a social activity like bingo, he said.

Dr Mark Griffiths of Nottingham Trent University, who chairs Gamcare, set up with the gaming industry to fight addiction, has written a report for Inter Lotto on the game.

He said he would not call for a ban but had some concerns. For example, lotteries in pubs on very poor estates could induce people to gamble excessive sums in the hope of solving their problems. Longer periods between draws during the daytime would put off loners likely to gamble through compulsion rather than as a social activity, and keeping the sites in licensed premises would cut down the number of children who had access.

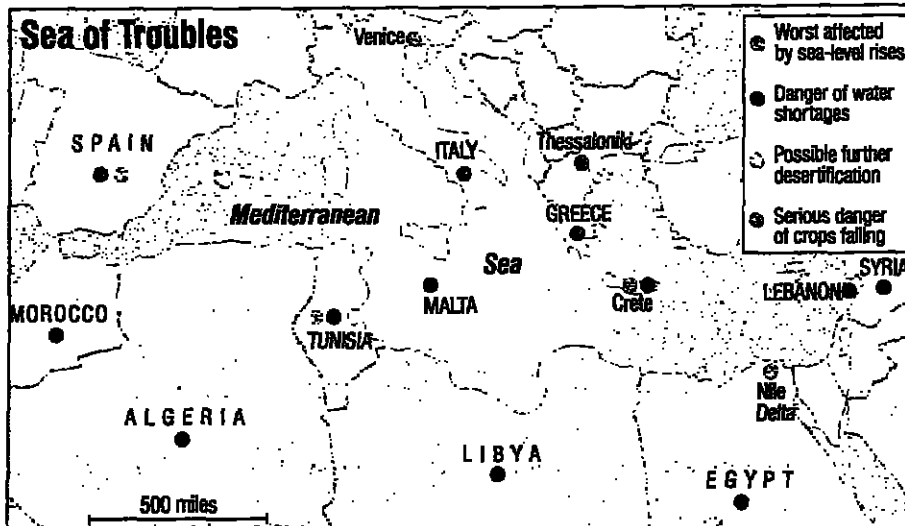
"There will be a small minority of people who have problems. Effectively you can play this game 12 times an hour, but with a fruit machine you can play 12 times a minute," he said.



Sea change: Flooding in Venice last year provided a premonition of what could happen to the city by 2100 if sea levels rise at their present rates

Could global warming sink your holiday plans?

Climate change could ruin the appeal of Mediterranean resorts visited by British holiday makers, Greenpeace warns today. But if forecasts of famine, flood and drought come true, a decline in tourism could be the least of the problems, says Nicholas Schoon, Environment Correspondent



Shrinking beaches, water and food shortages could all become the norm around the Mediterranean, according to a Greenpeace report.

Commissioned from a freelance consultant, it has been timed for the run up to the Kyoto Climate Summit in Japan next month when nations will negotiate on what they must do to reduce climate change.

To try to beef it up for an audience of northern Europeans, whose governments are in the lead in advocating the

toughest action to address the threat, Greenpeace is emphasising the threat to tourism.

More than 100 million people visit the sea's extensive, sunny coastline each year, and this had been projected to rise to as much as 340 million by 2025. "Now this ... is under threat as the possible impacts of climate change are more fully realised," says Greenpeace. All the more reason to reduce the world's rising consumption

of fossil fuels, emissions from which are changing the heat balance of the atmosphere.

The report is based on estimates for sea level and temperature rises in the next century made by the UN's Intergovernmental Panel on Climate Change, which brings together most of the leading climatologists from around the world. But Greenpeace has chosen to emphasise its worst-case scenarios for 2100.

Temperatures are expected to rise by up to 4C over many inland areas. Annual rainfall is projected to fall by 10-40 per cent over much of Africa and south-eastern Spain with smaller but potentially significant changes elsewhere.

As oceans expand and glaciers melt in a warmer world, sea levels could rise by almost one metre by the end of the next century. Venice, the Nile Delta and Thessaloniki in Greece

could witness sea level rises 50 per cent higher, because they are already subsiding.

In Egypt it is estimated that a sea level rise of only 0.5 metres would displace 16 per cent of the population if the coastline and riverbanks of the Nile Delta were not defended against the rising sea. Much of the population lives on the low-lying delta. Beach resorts could lose much of their sand.

Deserts may spread northwards and water resources will come under strain. Already Egypt, Libya, Tunisia, Algeria, Morocco and Syria have only about 1,000 cubic metres a year or less of water per person - a UN marker for water scarcity.

Yields of grain and other crops could suffer because of droughts. Livestock production will also suffer because of deterioration of grazing land. One study predicts large parts of Spain, southern Italy and Greece could become unsuitable for cereal growing.

Warmer conditions are likely to increase cases of malaria, schistosomiasis, yellow fever and dengue fever.

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UK faces action over failure to police abattoirs

Hygiene and health controls in British slaughterhouses and cold stores are not being implemented, the European Commission said yesterday. The Government now faces prosecution in the European Court for failing to appoint enough vets to police abattoirs against BSE and other infections writes Katherine Butler.

Britain was named as one of three countries now facing referral to the European Court for failure to do enough to combat BSE and protect human health. The latest accusations by Brussels come as a blow to the Labour government and Jack Cunningham, the Minister of Agriculture, who had claimed credit for transforming the atmosphere since the days when Britain was waging war with Brussels over BSE.

"Mr Cunningham is making all the right noises but they are still not respecting the rules," said a senior official. The failure holds serious consequences for the spread of BSE and the illegal export trade in banned British beef, the source added.

At issue in this row is a European Union law dating from the early 1960s which stipulates that veterinary officers must be present in abattoirs to oversee the conditions of slaughter and meat preparation. EU inspections have repeatedly exposed the

absence of the required numbers of vets in British abattoirs and cold stores.

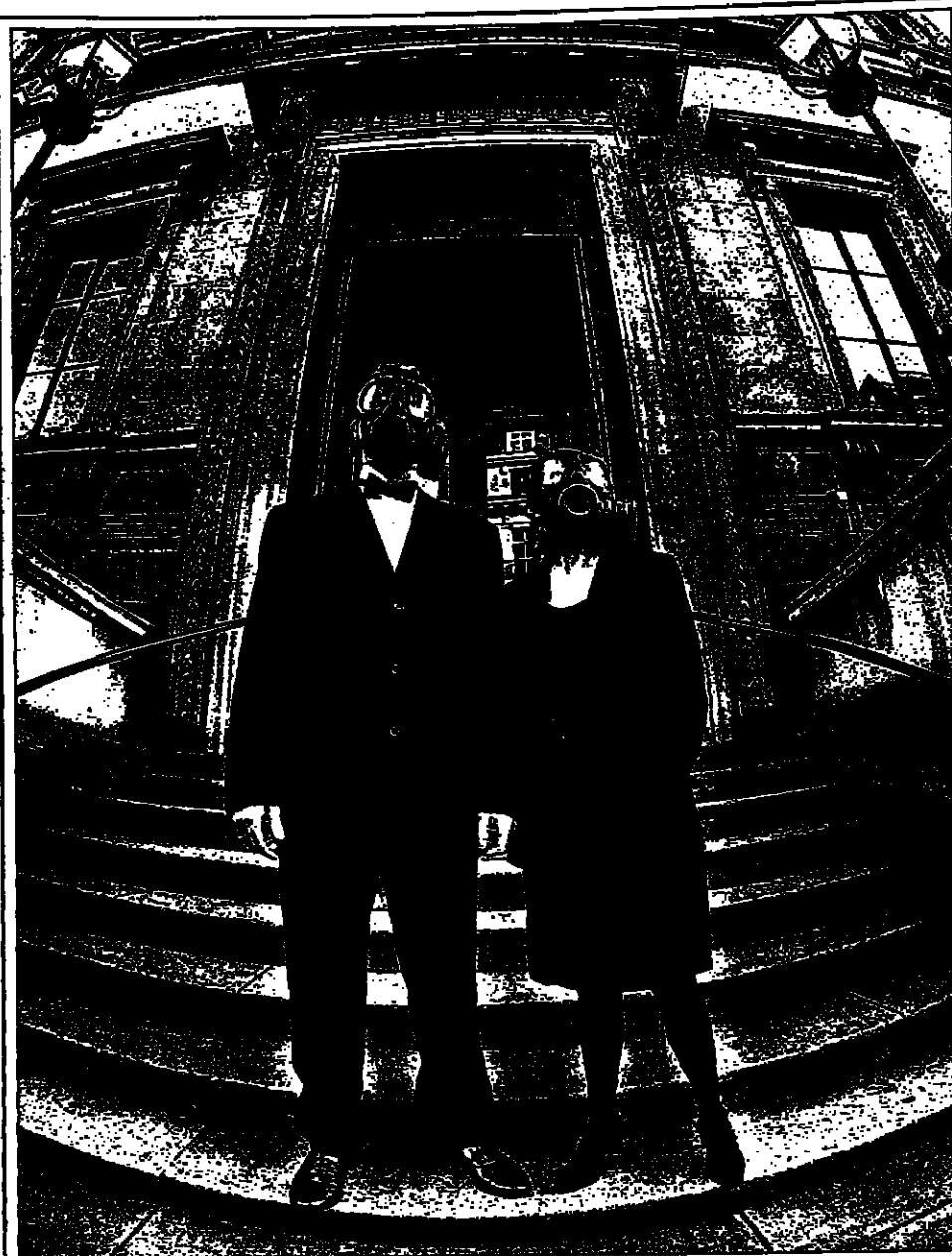
The Commission initiated proceedings against the Government early in September with a written warning about the inspection gaps. But a reply pleading staff shortages has cut little ice with the Farm Commissioner, Franz Fischler. Officials say that Mr Fischler is all the more disappointed because British ministers have gone to such lengths to claim they are co-operating fully with the fight against BSE and the battle against the illegal exports trade.

Commission experts said the absence of adequate numbers of government vets posted to slaughterhouses in Britain held serious implications for the food chain. Checks are supposed to be carried out before and after slaughter to make sure that carcasses are free of faecal material which if unchecked can cause *E. coli* infection.

The other worry is that the absence of vets means slaughterhouses could be flouting the strict national and EU rules on the removal of spinal and other nervous tissue from cattle which may be harbouring BSE.

"This inadequate supervision does not merely have consequences for the respect of the general public and animal health matters covered by EU legislation, but also for the particular problem of enforcement of EU legislation concerning BSE," said a statement from Mr Fischler's office.

Eleven countries received warnings about gaps in their health controls but only the UK, France and Spain failed to satisfy the Commission that they are being addressed.



Showing their cards: Croupiers protest yesterday outside a meeting of their employers in Pall Mall, London, over high levels of smoking by gamblers Photograph: Peter Macdarmid

Work injuries not being investigated

Figures withheld by the Health and Safety Executive show that a sharply reduced proportion of major injuries in the workplace are being investigated.

In 1994, inspectors investigated more than 15 per cent of such incidents, but by last year the proportion had dropped to just 4 per cent, according to figures supplied to the Institute of Employment Rights and confirmed as accurate by the executive.

Only six out of 100 blindings at work were targeted last year compared with eight out of 23 in 1994. The comparable figures for amputations were 297 out of 1158 (25 per cent) compared with 502 out of 1031 (48 per cent) and for poisonings and asphyxiation 53 out of 359 (15 per cent) compared with 155 out of 276 (56 per cent).

Launching the annual report of the executive yesterday Jenny Bacon, director-general, said her organisation had decided to target its activities more effectively on activities which presented the greatest risk. More time was also being spent on improving the management of health and safety, she said.

Civil service union IPMS however said the executive was guilty of under-investment and misplaced priorities and Frank Davies, chairman of the Health and Safety Commission, which directs the work of the executive, conceded that lower fund-

ing from the state inevitably affected the work of inspectors.

Reporting a surge in fatalities at work, Mr Davies went on the offensive about the penalties suffered by companies for putting people at risk. They were "ridiculously low", he said.

Mr Davies said the commission was urging the Government to ensure that courts make full use of existing punishments and, that in the longer term, sentences are increased. "When we prosecute it is because individuals or companies have flouted criminal law and endangered life and limb," said Mr Davies.

One construction company, which was refurbishing flats, was fined £345 with £50 costs after sending a new recruit to the second floor where he fell to his death over an unprotected edge. A paper sacks manufacturer was fined £450 after an employee's hand was crushed in a printing machine which was unguarded despite advice from the Health and Safety Executive.

Mr Davies confirmed that there had been a considerable rise in workplace fatalities from 258 to 302, mainly in construction and agriculture with most of the rise among the self-employed. Sub-contracted workers suffered twice the fatality rate of their employed colleagues, according to Mr Davies.

— Barrie Clement
Labour Editor

Former radio DJ on pornography charge

Chris Denning, a former Radio 1 DJ, was yesterday charged by Czech police investigating an international child pornography ring.

Mr Denning, a member of the original line-up when Radio 1 was launched in 1967, was arrested in Prague yesterday, with three Frenchmen and an American, said a source.

The American was arrested early yesterday when he was

found with a group of five young boys, the Czech Interior Ministry said, adding that the other four men were arrested in the afternoon in central Prague.

In London, a Foreign Office spokesman said: "The Foreign Office confirms the arrest of a 56-year-old British man in Prague on 11 November."

The Czech police have told the British Embassy that he has been charged with sexual abuse

of young children, but "no date has yet been set for a hearing".

Czech Interior Ministry spokesman Jan Subert said the paedophile ring was closely connected with similar groups in Britain, the United States, the Netherlands, France and Germany.

The five men were allegedly producing child pornography, which was distributed through the Internet, he said.

Biggs allowed to stay in Brazil

Ronnie Biggs will be allowed to stay in Brazil after all it was ruled last night. A spokesman for the Home Office confirmed that its request to extradite Biggs was turned down by the Brazilian Supreme Court and added that it was "very disappointed" by the ruling.

He was sentenced to 30 years in prison for his part in the Great Train Robbery in 1963 but escaped from Wandsworth Prison in 1965, using a rope ladder to get over the wall.

He fled to Rio de Janeiro in 1970 via Australia. Britain requested the return of 68-year-old Biggs from Brazil in October, two months after an extradition treaty was finally agreed between the two countries.

— Kate Watson-Smyth

Judges snub Howard on asylum for adulterer

An Iranian who says he faces a flogging for committing adultery, or even death at the hands of an outraged husband, if he returned home, had his hopes of obtaining refuge in Britain raised by the Court of Appeal yesterday.

A special adjudicator decided that Jafar Danaei, 29, was "an inveterate lecher" and accepted his account of nights spent with a married woman, whom he had heard was subsequently stoned to death.

Mr Danaei's asylum application was turned down in March last year after the then Home Secretary, Michael Howard, disagreed with the adjudicator, calling the story "a complete fabrication". But yesterday, in a far-reaching judgment defending the independent role of adjudicators, three judges held that Mr Howard had acted unreasonably.

Lord Justice Brown, sitting

with Lord Justice Ward and Lord Justice Judge, said Mr Danaei's application for exceptional leave should be reconsidered by the Home Secretary, Jack Straw, warning against the dangers of "decision-making by executive or administrative diktat".

The judges refused Home Office lawyers permission to take the case to the House of Lords; but they can still petition the Law Lords direct.

with Lord Justice Ward and

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5/EDUCATION

How Oxford exploited civil service to win bigger share of grant cash

Oxford University was last night accused by a former college principal of 'a form of corruption' in defending the extra funds colleges receive for fees.

Judith Judd, Education Editor, reports on the admission by Sir Christopher Ball, negotiator with the Government over college fees in the Eighties, that he exploited civil servants' feebleness to ensure that the colleges benefited.

As peers debated whether Oxbridge should keep the extra £35m in fees which it receives to fund tuition and libraries in individual colleges, Oxford attacked Sir Christopher who was warden (principal) of Keble College.

The allegation of corruption in the setting of college fees was "gratuitous", the university said.

Sir Christopher said in a statement that the colleges began to receive fees from the Government 30 years ago. At the end of the Seventies, the two universities agreed that increases in fees should be controlled.

"The agreement proved beneficial to Oxbridge since the Department of Education was a feeble negotiator and for some time allowed Oxbridge fees to increase at a rate faster than inflation," his statement said.

"Although I understand that the negotiations have been tougher since I ended my stint as chairman of the Oxford fees



Sir Christopher Ball (above), who claims that he exploited the feebleness of civil servants to ensure that Oxford and Cambridge colleges benefited when he negotiated over college fees in the Eighties

Main photograph: Brian Harris

committee in 1988, there is little doubt that the Oxbridge colleges have gained enormous financial benefit as a result of the public funding of what until then had been private fees.

Oxford argues that the colleges need fees to preserve the tutorial system. But Sir Christopher, who is now chairman of

the National Campaign for Learning, said that slow learners, not very bright Oxbridge undergraduates, needed tutorials.

Colleges could cope with the gradual ending of fees by using the wealth of the college endowments and the university's fund-raising strength.

"I have come to believe that it is bad for these two universities to be defending the indefensible; it is a form of corruption and I am one of those who stand in the dock," Sir Christopher said.

"We did not intend wrong, but our own ability, coupled with the feebleness of those whose business it was to defend the pub-

lic interest, have led to an embarrassing anomaly."

The university said: "Any talk of corruption in the process of settling college fees is clearly gratuitous. Were the college fee income to be removed, this would cause severe damage to the collegiate university - not least to Keble College, which has

a relatively low endowment and currently receives some £1.6m in annual fee with an overall income just over £4m."

The vice-chancellors of Oxford and Cambridge had seen Dr Kim Howells, the education minister, on Tuesday "in a serious and cordial atmosphere" and were "confident therefore of a fair hearing".

Unions furious over 'bash and dash' advice to teachers

Teacher unions yesterday condemned advice given by one union to its members to 'bash and dash' if they are attacked by a parent or pupil. Judith Judd, Education Editor, looks at the argument that fighting back against violence might be dangerous and could make matters worse.

Advice sent out with the Association of Teachers and Lecturers' (ATL) magazine suggests that teachers should aim for the knee, solar plexus, elbow or little finger.

Teachers, it says, should first try to run away or shout and scream to deter the attacker, but "if all else fails, fight back - aim to 'bash and dash'". Use only enough force to defend yourself.

The advice, the union says, is based on suggestions made by organisations such as the Suzy Lamplugh Trust.

A spokeswoman for the National Union of Teachers said: "To hit back can inflame the situation further and would be inappropriate with pupils and, with adults, it could lead to greater danger. It is far better to remove yourself."

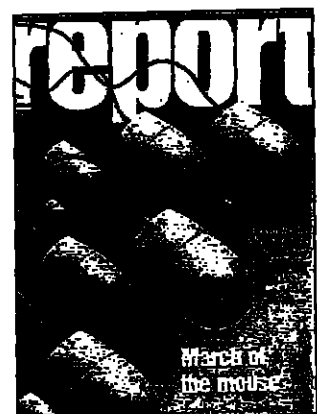
"This is not advice that we would give. It is very difficult to make a rational decision in the heat of the moment."

David Hart, general secretary of the National Association

of Head Teachers, said: "The ATL has given advice which could put teachers in a potentially difficult situation."

"Teachers who follow that advice could be in a difficult position in the eyes of the law and could find themselves being prosecuted."

Nigel de Gruchy, general secretary of the National Association of Schoolmasters



Adviser: The ATL magazine

Union of Women Teachers, said: "Bash and dash is rather rash. It could sometimes excite more violence and is very dangerous."

"If you are being confronted by a gang, to think that you can bash and dash out of that situation will make things worse."

"Each situation must be judged on its own merits. Teachers must think very carefully before offering a return of violence because it often makes the situation worse."

But a spokesman for the

ATL said: "This advice has been prepared as a result of demands from our members. They are increasingly being left alone and vulnerable in teaching areas."

"We have taken advice from organisations such as the Suzy Lamplugh to try and help them defuse the situation and then fight back if all else fails."

The advice says that teachers should first try to run away to a busier part of the school, or shout and scream and set off their personal alarms.

Only if they fail to divert the attacker in these ways, should they fight back and then they should use only enough force to defend themselves.

The spokesman emphasised that the recommendations were designed to deal with intruders, not pupils and were directed at teachers who worked alone, for example, in temporary buildings at some distance from the main school.

Attacks on teachers are increasing. A recent survey commissioned by the Department for Education showed that teachers at one in five schools had been kicked or punched. At one in ten schools pupils were found to have brought weapons to school.

The main threat came from pupils, but attacks by intruders and by parents who were angry about the way their child had been treated were also a problem.

Last year, a teacher won damages of £82,500 after being attacked and permanently disabled by a 10-year-old boy.

Education +

Blunkett announces £83m extra for FE colleges

Further education colleges will get an extra £83m in 1998/99, David Blunkett, the Secretary of State for Education, said yesterday.

Of this, £20m will come from employers who in future will have to pay 50 rather than 25 per cent of the cost of their employees' courses. Another £48m will come from former training schemes to be replaced by the Government's New Deal for the long-term unemployed. Another £15m will come from accounting changes in Mr Blunkett's own department.

Government funding per

student has dropped by 28 per cent in the past five years. The colleges' deficit has grown from £6m to £112m since 1993. The Prime Minister said at this year's party conference that 500,000 new places would be created in further and higher education in the next five years. Most of these are expected to be in colleges of further education.

Yesterday's announcement aims to fund 80,000 more students next year and to ease the colleges' financial plight. Mr Blunkett told the Association of Colleges' conference in Harrogate: "Further education is

central to meeting the skills of business and commerce and improving employability."

Derek Bents, senior official at the National Association for Further and Higher Education, said: "It is a small deposit rather than the payment in full which is needed by colleges if they are to avoid the cash crisis and maintain standards for growing numbers of students."

The Association of University Teachers said that the Government should use the same approach for higher education and take money from employers to fund universities.

— Judith Judd

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Will the by-election be the salvation of Twyford Primary?

Candidates in next week's Winchester by-election are jumping on the schools bandwagon as the battle for votes heats up. Fran Abrams, Political Correspondent, says the argument runs across the educational spectrum - from the world-famous Winchester College to a crumbling primary down the road.

In the classroom of year six at Twyford Primary, Mr Honour is having trouble making eye contact with his pupils. This has less to do with his skill as a teacher than with the six large posts that are stopping the roof falling down.

Since last December, only four of the 29 pupils in this temporary classroom - bought secondhand 27 years ago - have been able to see the blackboard properly. There is no running water and across the playground another temporary block - 40 years old - is quietly subsiding into the garden next door. Between the two, the toilets are a morass of rotting wood and rising damp.

This is the sixth year running that Hampshire has bid for government funds to replace the classrooms. But this year there is a difference. This year there is a by-election.

Political points have been batted back and forth between the candidates. The Liberal Democrats ran Hampshire for four years until May, say the Tories; they should have given the school a higher pri-



The haves and the have nots: Winchester College (main picture) provides a sharp contrast with the crumbling Twyford Primary (left), where Hampshire has for the last six years tried to get government grants to replace the classrooms. Photographs: David Rose

ority. The Tories were running the country, say the Liberal Democrats.

Both Mark Oaten, the Liberal Democrat who was declared Winchester MP in May only to have the decision overturned by the High Court, and Gerry Malone, the Tory who held the seat from 1992 have been to the school. Mr Oaten has excelled though, by personally phoning and writing to parents; he prides himself on being a local issues man.

But the two main runners in this race have not confined themselves to the hitherto unknown Twyford school - both have also been to talk to sixth formers at Winchester College, one of the country's top public schools. There are not many votes in this of course - most pupils are

boarders who live elsewhere even if they are 18 - but there are issues of concern.

For example, the school owns a piece of land on which it would like to build houses, and the whereabouts of these houses has become an election issue here.

Leaking roofs and toilet blocks are not a problem, though. The school brochure boasts "outstanding" sports facilities, a theatre and a separate arts school.

James Sabben-Clare, the headmaster, says local schools have the chance to share some of these - which means that government plans to increase links between state and private sectors are likely to make little difference here.

Twyford pupils have used the swimming pool in the past, and now use another in

an independent school nearer to hand. But none of this, of course, will rebuild its classrooms or toilets. David Blunkett, the Secretary of State for Education, must look elsewhere for that sort of help.

At Twyford, the clerk to the governors, Neil King, is not too concerned about where the money comes from so long as it comes soon. The inspectors who come every two months say Mr Honour's classroom will not be viable after next July.

Both Mr Oaten and Mr Malone have promised to make it a priority.

"Whoever gets in, that's going to be my next phone call," Mr King says.

"What are you going to do about it now?"

Labour takes ethical arms policy to EU

The Government will today try to convert European partners to its ethical foreign and arms trading policies. Kim Sengupta examines radical and controversial proposals being put forward to exercise international control on the weapons of death.

Tony Blair's government is convinced that ethical arms trading is not an unrealistic and altruistic concept. And Britain will be using its presidency of the European Union to attempt pushing through the most far-reaching controls ever attempted on the arms trade.

Today Tony Lloyd, the minister of state at the Foreign Office, will unfurl a raft of measures in Stockholm for concerted EU action to stop the arming of repressive totalitarian regimes, and to curb illicit trading by private arms dealers.

Speaking at a seminar of the influential security pressure group Saferworld, Mr Lloyd will present a series of key policy proposals.

The fundamental plank

would be an EU Code of Conduct under which member states would be banned from "quietly undercutting" another which has refused to supply an export licence. Thus unsavoury customers would not be able to play off one supplier against the other. When Robin Cook, the Foreign Secretary, warned Indonesian leaders he would cut off arms supplies unless they improved their human rights record, their foreign minister, Ali Atlas, said other arms dealing countries were already "knocking at our door".

Making the code legally binding is deemed to be unrealistic, but it is intended as a Council Declaration, breaches of which would result in serious political consequences.

The second priority would be to persuade the rest of the EU to adopt Britain's ban on instruments of torture such as electric shock devices and leg irons and shackles. It is believed unofficial soundings at government level indicate most member states will be in favour of this. The British government hopes this will pave the way for an eventual global ban on such equipment.

The EU would also be urged to crack down on illicit arms trafficking. This was discussed during the preceding Dutch

presidency, but London is determined that this should be carried through once it takes the chair. Over 50 per cent of the traffic in light weaponry is believed to be illicitly traded. The Foreign Office has agreed to fund a seminar on the subject in Southern Africa.

Britain, France, Germany, Italy, and Sweden are all significant arms exporters. Mr Lloyd will say the Government does not "believe that the arms trade as a whole is immoral. Article 51 of the UN Charter makes it clear that countries have a right to act in self defence". But he will add that the world has seen 18 million lives lost in wars and other civil conflicts since 1945, and that by 1988 some 200,000 children under the age of 16 were estimated to have participated in conflict.

Mr Lloyd will add: "The days when British ministers arrived at meetings in Brussels dressed in bullet-proof jackets are over. The Government sees Europe as an opportunity not a threat... it has a particularly important role to play in the area of arms exports."

"Taken together, these various elements [the arms control proposals] add to an ambitious agenda... I am convinced the effort will be worth it".

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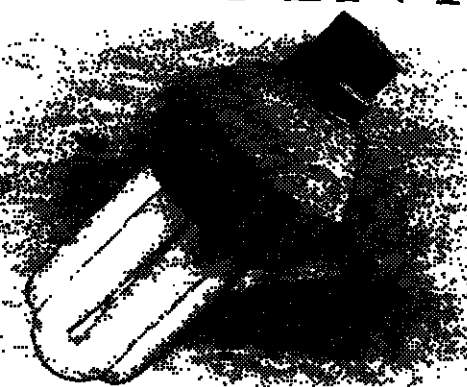
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7/POLITICS

Europhile Tories stay away from treaty vote

Sir Edward Heath, the former prime minister, last night abstained from voting on a Government Bill to ratify the Amsterdam Treaty, in defiance of a three-line whip imposed on pro-European Tory MPs by William Hague. Colin Brown, Chief Political Correspondent, reports that a party for John Major helped to give him cover.

The "big three" - Sir Edward Heath, Michael Heseltine, and Kenneth Clarke, were all absent from the chamber yesterday at the start of the Commons debate on the bill to ratify the Amsterdam Treaty.

Mr Clarke was campaigning in the Winchester by-election. Sir Edward, who later abstained, had a pressing diary of engagements which avoided the former prime minister openly clashing with the leader of the Tory Party, William Hague, in the chamber over the opposition three-line whip to vote against the Treaty.

As the Bill began its second reading, Sir Edward was at his London home, contemplating his memoirs. At 6pm, he attended a presentation to John Major by the 1922 Committee of a silver salver and two glass decanters to mark his period of office.

As the voting was due to take place, Sir Edward was attending the launch at the Spanish Embassy in London of a chamber ensemble from the European youth orchestra, which he helped to create.

Some of the Euro-sceptic leaders of the Tory backbench committee who went to praise Mr Major also played a prominent part in his downfall. One Tory source said: "Perhaps the presentation should have been a poisoned chalice."

Mr Hague was having more success driving the pro-European MPs into line than Mr Ma-

ior did with his Euro-sceptic "bastards". David Curry, who last week resigned from Mr Hague's Shadow Cabinet as agriculture spokesman over Mr Hague's hardening of policy against entry to a single currency, caused Labour laughter when he announced he was voting with the Tories against the Bill.

He said the Government had returned from Amsterdam with a "poor treaty - it fails its central task. It's not a wicked treaty. It just doesn't do the job. That's why with an absolutely clear conscience, I can vote against it tonight."

Quentin Davies, another pro-European Tory MP who was critical of the shadow Cabinet's decision to rule out entry to the single currency for 10 years, said he was voting against the Bill because it endorsed the social chapter.

Robin Cook, the Foreign Secretary, ridiculed the pro-European Tory MPs for sheltering behind this feature of the Bill, in order to avoid a split in their ranks. Mr Cook said the Government was signing up to the social chapter "with pride", because it extended to British people the rights enjoyed by the rest of Europe. "We are signing up to the social chapter not to be nice to the rest of Europe, but because we believe it to be in the interests of the British people."

But another staunch pro-European Tory, John Gummer, said if Labour wanted to prepare for entry to the single currency, it would have been better to keep Britain's opt out to preserve employment flexibility. Michael Howard, the shadow foreign secretary, said: "This treaty is a wrong turning for Britain. It is a wrong turning for Europe."

● The cross-party Commons select committee on the Treasury, chaired by pro-European Labour MP Giles Radice, announced last night it is to investigate the degree of readiness in Britain for entry to the single currency, and the Government's plans to encourage the preparations.



Spilling the beans: The Speaker, Betty Boothroyd, at yesterday's launch of the use of Fairtrade coffee in the House of Commons. By drinking it MPs will be supporting coffee farmers in the Third World. Photograph: Andrew Burman

Blair warned not to push the Lords

Conservative peers were set on a collision course with the Government last night by Lord Cranborne, the Tory leader in the House of Lords, with a warning shot to warn Tony Blair against forcing legislation through the Lords by heavy whipping.

Lord Cranborne's warning was seen at Westminster as a clear threat that unless the Government slows down the progress of some of its Bills, the Tories could use their majority in the Lords to stall or block the passage of highly controversial measures, such as devolution for Scotland and Wales.

He has been careful in the past to acknowledge the tradition under which the elected Government of the day gets its business through, to avoid a constitutional crisis with the Lords.

But Lord Cranborne last

night provided a let-out clause to qualify that rule, and justify an assault in the Lords on the Government's central programme of legislation.

"The House of Lords - whoever is in government - is mindful always that it must help secure the Queen's Business. But equally - and this is a very important rider - it has a duty to scrutinise all Bills fully," he said.

"Only in that way are the public and business protected from bad law. I am flagging this issue publicly again today ... because we do not want an avoidable log-jam next summer and autumn. That might risk the merits of important measures - whether or not we agree with them - being mixed up with debates over the future of the Lords as a revising chamber."

— Colin Brown

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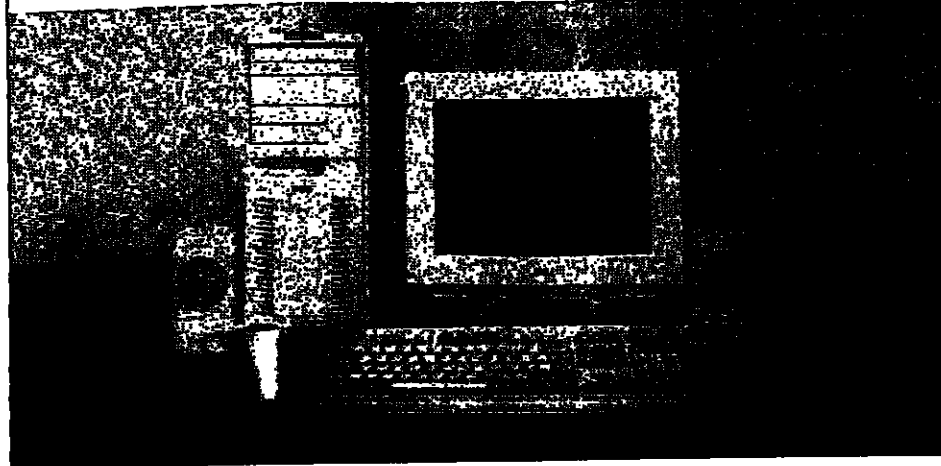
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DELL

Gold prospectors who have spent the summer exploring a Devon valley may set up England's first commercial gold mine, it was confirmed yesterday. Louise Jury considers its chances of success.

A mining company said yesterday that it hoped it was on the verge of a gold bonanza after spending £200,000 on drilling in east Devon.

Jeremy Metcalfe, chairman of Credition Minerals, said

another two years of investigations would be needed before it knew whether the gold could be mined economically.

But, announcing the company's results so far, Mr Metcalfe said officials were "greatly encouraged by what we have found. It is too early to say whether we are talking bonanza, but as chairman of the company I certainly hope so. We have found very elevated levels of gold, quite unique, and this has to be taken seriously."

Credition Minerals, whose parent company is Dublin-based Minmet, carried out drilling in an area called the Credition Trough, to the west of

Exeter, which is 300 million years-old, 28 miles long, seven miles wide and 900 metres deep.

The area was pinpointed after tiny gold grains were found in streams in the Credition area and as a result of geological mapping carried out by the Government-funded British Geological Survey over the past 15 years.

Dr Richard Scrivener, who has headed the survey work in that area, said that although there were existing planning permissions for gold mines in Northern Ireland and Scotland, gold had not been found in these sort of newer rocks in

the South-west of England before, adding: "It's very exciting, scientifically."

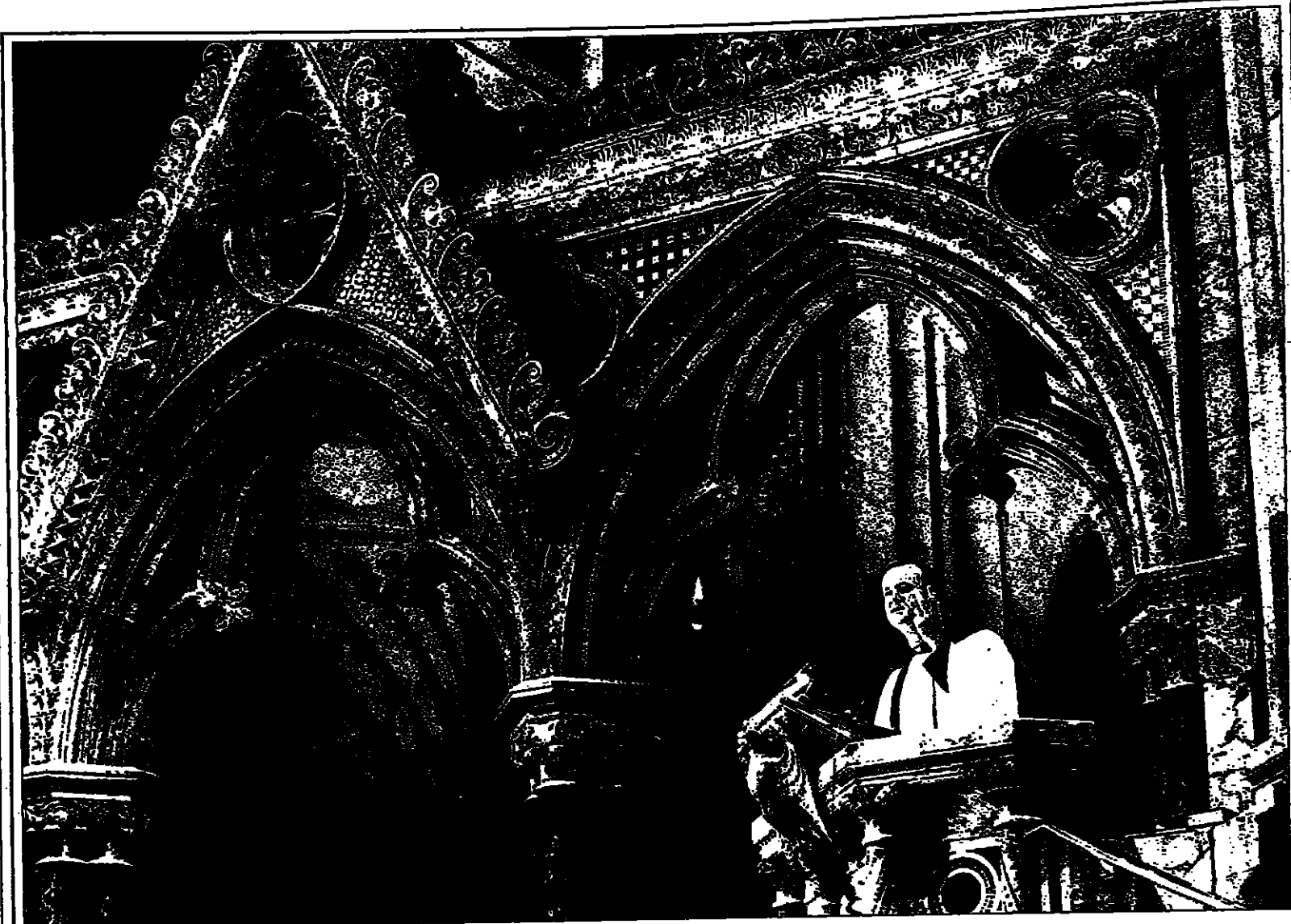
Mr Metcalfe said it was still too early to know what sort of mining method might be used to extract the gold, but a full environmental impact study would be done. "We shall be conducting our work in as environmentally-friendly way as possible, and eventually hope that mining will bring jobs and prosperity to the area."

However, Maurice Spurway, of Exeter Friends of the Earth, said environmentalists fear economic considerations might encourage a form of open-cast mining which would be a major

scar on the landscape in an area which is very dependent on tourism. "It is ringing some alarm bells. We need to know more," he said.

Bob Edwards, chairman of Credition council, said there was concern about the environment, but added: "There could be many benefits, including jobs and trade for local businesses. It is certainly very exciting."

Minmet has interests in gold operations in Portugal, Ireland, Bolivia, Russia and the United States. The geology of the Credition Trough is similar to areas in central Europe where gold is mined.



High priest: Reverend Paul Walker, winner of the Preacher of the Year contest, holding forth in Durham Cathedral where he beat four rival clergy to the title yesterday. Over 250 preachers entered the competition. Photograph: Mike Scott

Laser surgery keeps heart patients out of hospital

Drilling tiny holes in the heart with a laser dramatically reduces chest pain and the need for hospital care for people with severe heart disease, new findings showed yesterday.

The pioneering technique, transmyocardial revascularisation (TMR), allows blood from the heart's pumping chamber to percolate through the laser holes and supply the surrounding heart muscle.

Researchers from three centres in the United States studied 160 individuals with severe chest pain, or "refractory angina". Angina is caused when the heart muscle does not get enough oxygen-rich blood.

A total of 74 patients underwent the procedure. Surgeons drilled about 40 holes, each one millimetre in diameter, through each patient's left

ventricle. Another 86 patients received the usual medical treatment, including multiple drugs. After three months the angina had improved dramatically in 86 per cent of the TMR patients, compared with only 12 per cent of those on medication alone.

Chest pain is rated on a scale of one to four. In the study, the drilling treatment improved pain from class four to class two or better. After three months, 20 per cent of the TMR patients had returned to hospital compared with 43 per cent of the medication-only group. No significant difference in death-rate was reported between the two groups, however.

The results were presented at an American Heart Association conference in Orlando, Florida. Leading researcher Dr Keith Allen, a cardiothoracic

surgeon at St Vincent Hospital, Indianapolis, said: "A lot of these individuals have diabetes or severe heart disease or they have had multiple heart operations and have reached the end of the road as far as the potential for further interventions to be successful. TMR offers real hope for these patients."

"We don't know if it will make people live longer or decrease the incidence of heart attacks, but it clearly improves their ability to function and their quality of life."

A spokesman for the British Heart Foundation said: "This is something that's arousing a lot of interest in the cardiology world, and it's definitely something we are keeping an eye on. However, there's quite a long way to go yet before it becomes a mainstream procedure."

NEWS IN BRIEF

Animal rights activist guilty of firebomb campaign

An animal rights activist was convicted yesterday of carrying out an extensive firebomb campaign.

Barry Horne, 45, carried out arson attacks on shops on the Isle of Wight in 1994 which caused extensive damage to a number of shops, including £2.8m after a branch of Boots was destroyed.

He was also found guilty at Bristol Crown Court of planting incendiary devices hidden in cigarette packets in a shopping centre in Bristol. He was arrested by police who had trailed him for months as he planted the home-made bombs.

In addition he was convicted of possessing bomb-making equipment in Swindon, Birmingham and Bristol.

Horne said the attacks were an act of "political terrorism" in support of animal rights. Sentencing will take place at a later date.

— Jason Bennett, Crime Correspondent

Man 'killed foster daughter'

A former deputy headmaster was yesterday committed for trial charged with the murder of his 13-year-old foster daughter, Billie-Jo Jenkins. Sion Jenkins, 40, who has four children, was bailed until 12 December and sent for trial at Lewes Crown Court.

He is charged with murdering Billie-Jo Jenkins at Hastings, East Sussex, on 15 February this year. He was granted conditional bail with sureties of £250,000. Reporting restrictions were not lifted.

Rowers missing in Atlantic

A search was under way in mid-Atlantic yesterday for two British brothers taking part in a 3,000-mile rowing race.

Edward and Matthew Boreham, aged 31 and 28, from Sunbury, south-west London, have been out of contact since last Friday. Organisers of the Port St Charles Barbados Atlantic Rowing Race have received signals from their automatic emergency beacon but can find no trace of the 24ft home-made boat.

Court stalls on pupil row

Judgment was reserved yesterday in a High Court action over a school's refusal to admit the 12-year-old daughter of a man who attacked the head teacher.

Mr Justice Harrison said he hoped to give his decision later this week. Cherie Booth QC, for the family, who cannot be identified, has argued that the stance taken by Southlands community school in New Romney, Kent was in breach of the fundamental principle of parental choice.

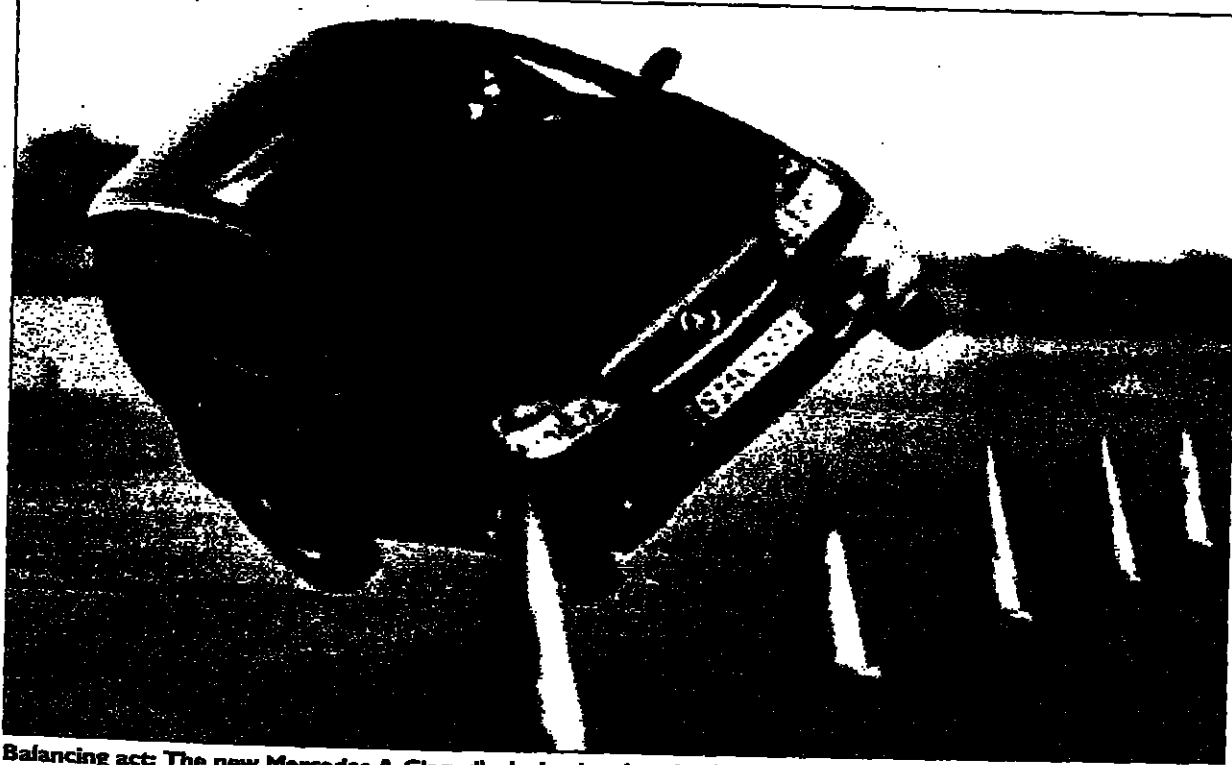
Ms Booth has also attacked the legality of a decision by Education Secretary David Blunkett to revoke his Tory predecessor Gillian Shephard's direction to admit.

The row stems from an incident in May 1996 over an older sister's school uniform which resulted in the father's conviction for common assault on the head teacher, Eamonn Cahill.

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Balancing act: The new Mercedes A-Class displaying its alarming instability during safety testing Photograph: AFP

A storm of criticism over safety; and Mercedes rolls over

Daimler-Benz has halted delivery of its revolutionary Mercedes A-Class model after it rolled over during a safety test. Britain's motoring industry told Ian Burrell that the crash could have irreparably damaged the once exalted name of Mercedes.

Moose are unlikely to feature ever in the standard British driving test. But a test designed to gauge the ability of new motor vehicles to avoid the antlered beasts while driving in Sweden, has left a jagged score across the once lustrous image of Mercedes in the eyes of the British motoring public.

Last month, as the new Mercedes-Benz A-Class model attempted the "Moose Test", it flipped over. The company's response was a promise to fit the car with electronic stabilisers.

But when the adverse publicity refused to go away it decided this week to halt delivery of a vehicle that was intended to revolutionise the small car market.

According to Lydia Aydon, the news editor of *Auto Express*: "Mercedes wanted people to believe that although this was a small car it would be as safe as their bigger cars. But they were the first car to fail this Swedish test for 20 years except Skoda, and from now on people are going to look at them in a different light."

She added: "Mercedes has a reputation for safety and knowing exactly what they do: a Germanic idea of everything being absolutely perfect and without problem. They will now lose this image."

She said that the company's initial attempt to play down the problem, followed by its decision to halt delivery of the car, would have exacerbated the suspicions of potential buyers. "They are now going to have to prove without a shadow of a doubt that there is nothing wrong with this car," she said.

Other industry commentators felt that Daimler-Benz had been too sensitive to criticism over what had been an extreme test of the car's performance. Mark Payton, editor of *What Car?* magazine, said: "I think that maybe they have over-reacted to the situation and fed the fires a bit."

Although the A-Class handled poorly during the magazine's own test drives of the car, it displayed no deficiencies in safety, he said. "In our view it is safe in normal urban conditions and in all conditions that most drivers would ever experience."

Mr Payton blamed Mercedes problems on the company's recent diversification, producing four-wheel drive vehicles, the radically designed E-Class model and now the smaller car. According to Mr Payton, there has been a shift in power away from the company's engineers in favour of its accountants. "It means that you get a better-priced Mercedes but I wonder if there are people within the company wondering whether it's the right thing to do," he said.

Green fuel for ministers might not be green after all

The Government will try to set an example to the nation next week by converting its fleet of Jaguars, Rovers and Mondeos to run on natural gas. Ian Burrell finds one problem - there are still doubts over whether such fuel is environmentally sound.

Tony Blair and John Prescott have petrol-guzzling Jaguars. The rest of the cabinet have 2.7-litre Rover 800s while ministers of state and under-secretaries are driven in Mondeos and Cavaliers, all with a two-litre capacity.

The Government Car Service's fleet of some 130 vehicles is not much of an advertisement for an administration pledged to the greening of Whitehall.

Which is why three government ministers - David Clark, the Chancellor of the Duchy of Lancaster, Mr Prescott, the Deputy Prime Minister and Secretary of State for the Environment, and Peter Kilfoyle, the cabinet office minister - will gather at Horse Guards Parade next Monday to announce that the vehicles are to be switched to run on compressed natural gas (CNG) and liquefied petroleum gas (LPG).

Mr Clark said: "It is a clear message of the Government's commitment to the greening of Whitehall. It shows that we can make sure that our transport needs also reflect the need to protect the environment."

CNG, it is claimed leads to a 43 per cent reduction in emissions of the smog-creating nitrogen dioxide, as well as reduced emissions of carbon dioxide (24 per cent) and carbon monoxide (76 per cent).

But according to Tony Bosworth, transport campaigner for Friends of the

Earth, the alternative fuel also leads to an increase in emissions of hydrocarbons of approximately 30 per cent.

"We are not actually recommending that people do buy CNG cars," he said. "People are best off getting the smallest most fuel-efficient petrol-powered car, fitted with a catalytic converter."

Similarly with LPG, he said: "The emissions picture is mixed. You have reduced carbon dioxide and hydrocarbons but in this case higher emissions of nitrogen dioxide. When you compare it with a petrol-powered car the emissions benefits are not great enough to warrant people converting."

He pointed out that there were only nine roadside fuelling stations in Britain capable of supplying natural gas.

The Government Car Service, however, would supply its fleet from gas supplies at its own depot at Vauxhall, south London. Ministerial cars, which rarely leave the capital, would still be capable of using petrol in emergencies.

Labour will look to take credit for the alternative fuel initiative, although it was actually John Major, the former prime minister, who took charge of the first CNG-powered government car a year ago.

Many Labour ministers have already displayed their green credentials by eschewing their government cars in favour of public transport.

Mr Clark caused commotion among civil servants earlier this year when he was stuck on the District Line during a bomb scare on the London Underground. Clare Short, the Secretary of State for International Development, swears by the 77A which takes her up to Westminster from her home in Clapham, while Frank Dobson, the Secretary of State for Health, even took the 24 bus to Downing Street when the Prime Minister offered him the job.

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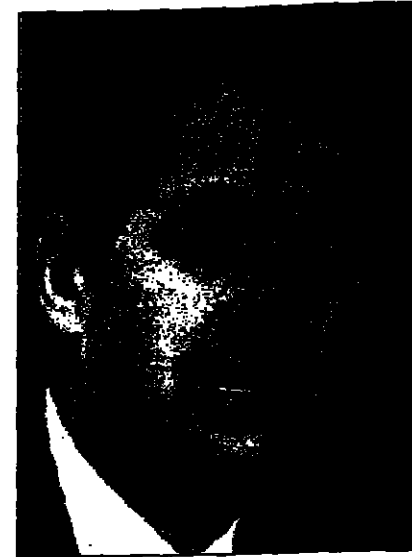


Out with the old: After 75 years, is the writing on the wall for the 'old' BBC?

Photomontage: Julian Saul

Auntie should be killed off, says Channel 5 chief

In a remarkably forthright attack, Channel 5's chief executive last night accused the Government of colluding with the BBC against the interests of viewers. Rob Brown, Media Editor, believes David Elstein's arguments for the abolition of the licence fee can only gather force.



David Elstein: 'The consent of the consumer must come first'

A champagne reception was held in the famous picture gallery of Royal Holloway College in Surrey last night after David Elstein had delivered the annual Reed lecture on *The Politics of Broadcasting in the New Millennium*. But no one was toasting the 75th anniversary of the BBC. For the central thesis of Mr Elstein's address was that the corporation in its present form should not survive, far less be celebrated.

It was not the first time he has expounded this argument. David Elstein started calling for the abolition of the TV licence and for the conversion of the BBC into a subscription pay-TV system in his previous role as head of programmes at BSkyB. But he has never stated his case as strongly as he did last night in one of the oldest colleges of the University of London.

Channel 5's chief executive not only ripped into the paternalistic and imperialistic Reithian tradition at the BBC, but accused the Government of seeking to pre-

serve a licensed state broadcaster because such an institution is easier to bully.

"New Labour is not about to abandon decades of inherited thinking, nor the levels of political control," said Mr Elstein. "The Labour Party may call itself New Labour, but its instincts on broadcasting remain as unconvincing as ever. The Labour Party has yet to realize that, in the modern age, the consent of the consumer must come first. It is time for us to let go of nanny, and for nanny to let go of us."

Mr Elstein described the licence fee as "the last of the regressive taxes which hit the poor much harder than the rich" and forecast that it would become increasingly indefensible as the BBC's share of audience steadily fell in a multi-channel era.

Noting that the BBC's total share of viewing in multi-channel homes was less than 30%, he said: "It is unimaginable that any other public service, ignored by its customers for three-quarters of the time in favour of private competitors, could continue to justify being funded by a compulsory tax on all households generating more than £2bn a year."

Mr Elstein's argument will cut little ice with Chris Smith, the Culture Secretary, who supports the licence fee as the bedrock of the BBC and a cornerstone of British culture. But Mr Smith will not be in charge of that ministry for ever.

This danger is recognised by David Docherty, the BBC's deputy director of television, who put the case for keeping the licence fee at Policy Studies Institute seminar on Monday. Mr Docherty acknowledged that the BBC would probably flourish on a subscription basis, but it could not remain the world-renowned public service broadcaster it has been up to now.

"If we contrive to disinvest the BBC, no other generation will be able to create the circumstances to re-invent it," he said. "And, if it does not survive, if we allow some clever bastard to argue us out of it, we should take the shame to our graves."

Murdoch vows to keep up cut-price newspaper war

Rupert Murdoch yesterday vowed there would be no let up in the newspaper price war which he started four years ago.

Cathy Newman heard the media baron tell opponents of his price-cutting policy to 'go to hell'.

Mr Murdoch hit out at his critics at the annual general meeting of the satellite broadcasting company, BSkyB, saying there was "no way" he would call a truce in the newspaper price war. "No one else wants to call a truce, they insult me every day, so they can go to hell," he said.

The *Times*, which is controlled by Mr Murdoch's News Corp, sells at 10p on Mondays, a 25p discount.

Mr Murdoch was unconcerned about suggestions that the Government should introduce anti-trust laws like those in the US, which would stop companies such as News Corp selling papers and other goods at cut-price. "People don't seem to like competition much in this country," he said.

The media tycoon painted a fairly bleak picture of prospects for BSkyB, in which he holds a large stake, saying the costs of

new contracts for sports rights and launching digital television would dent profits.

"We'll do very well if we have a flat year this year," he said.

Shareholders at the AGM had listened to David Chance, deputy managing director, extolling the benefits of pay-per-view television, where viewers



Murdoch: 'People don't like competition in this country'

pay to watch specific films and sporting events.

But Mr Murdoch poured cold water on BSkyB's hopes of screening pay-per-view football, films, musical and sporting events. "Pay-per-view through-out the world has only worked in a big way for huge boxing matches," he said. "When it

comes to pay-per-view on a more regular basis, it is much more difficult."

The head of News Corp confirmed recent reports that his son, Lachlan, was set to succeed him. *Sky High*, a new book by Mathew Horsman, a media analyst and former *Independent* journalist, features an interview with Mr Murdoch where he says his children have reached a "consensus" that Lachlan will take over.

Yesterday, Mr Murdoch said: "The children selected him [Lachlan]. It was their vote." However, he signalled he had no intention of giving up just yet. "I'll stay alive for a while yet," he said, joking that the succession issue would be resolved "a month or two after I die".

BSkyB said profit before tax for the three months to the end of September was £4.7m lower than the year before at £61.6m after an increase in costs - such as the new exclusive contract with the Premier League for live football rights - and higher investments in other operations, such as the interactive broadcaster, British Interactive Broadcasting.

Sam Chisholm, chief executive and managing director of BSkyB, stepped down yesterday, six weeks earlier than expected. He suffers from severe asthma, and has been replaced by Mark Booth, a 41-year-old American with substantial experience in the pay-TV market.

After Perfect Day, Perfect Night

After showing us how to have a 'Perfect Day' with its radio network, the BBC is planning to tell us how to have a perfect night with its dance music DJs. Paul McCann, Media Correspondent, explains how you will need more than sangria in the park to stay up with Judge Jules.

The BBC is following up the success of the *Perfect Day* promotional video for its radio network with a new 10-minute film that will show off Radio 1's expertise in dance music.

The film is being made by Radio 1's hot-shot advertising agency St Luke's. Another agency, Leagas Delaney, created the *Perfect Day* film with Lou Reed's classic song and a collection of stars.

Like *Perfect Day* the new film will champion the way the corporation is funded by a licence

fee which allows it to be experimental.

The film is being shot now and will be shown in an edited form on the BBC in December. A longer version will also be shown in cinemas.

The Radio 1 film, which is set in the Subterranea nightclub in west London, will concentrate on the music of its star dance DJs Pete Tong, Danny Rampling and Judge Jules. It is being made by director Tom Vaughan who the short film *Supergas*, about pot smoking which was shown on Channel 4's "Pot Night".

The *Perfect Day* film attracted complaints from commercial radio stations which believes the BBC has an unfair advantage in being able to air free adverts for its radio stations on television. Yesterday Paul Brown, chief executive of the Commercial Radio Companies' Association told *Marketing Week* he would be complaining about the new film to the Department of Culture, Media and Sport. "It is clearly an advertising campaign," he said.

Despite the fuss, *Perfect Day* has been a critical and popular success and the song is being released as a single to aid the BBC's Children in Need charity.

Internally at the BBC it is known to have boosted the standing of Jane Frost, the BBC's corporate marketing director, who devised the strategy to make promotional films for the licence fee. Other films in the series have included Vic Reeves and Bob Mortimer acting out fictitious experimental comedies such as "Poldark on Mopeds" that could only be funded by a licence fee.

Radio 1 has been boosting its dance music output by poaching four big name DJs from rival radio station Kiss FM.

The new film is part of a marketing campaign to promote Radio 1's "Soundtrack to the Weekend" when it plays 10 hours of dance music every Friday, 13 hours every Saturday and four more hours on a Sunday. In total, the one-time home of Simon Bates now plays 34 hours of dance music a week.

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US oilmen shot dead in Pakistan

Four American oil executives were shot dead in central Karachi yesterday morning, only days before the arrival in Pakistan of Madeleine Albright, the American Secretary of State.

The car in which they were travelling was overtaken on a bridge and forced to a halt. Gunmen opened fire and continued firing until all five occupants of the car, including the driver, were dead.

No group has claimed responsibility for the attack, though there is speculation that the killings may have been in retaliation for the conviction the previous day in Washington DC of a 33-year-old Pakistani immigrant, Aimal Kansi, for the murder of two CIA employees in January 1993.

Following the killings of the two men, Kansi, the sole suspect, fled the country and eluded capture for four years. He was eventually tracked down to a hotel in a remote part of the country in June. FBI agents were involved in his capture and he was then extradited to the United States without formal proceedings.

America is highly unpopular in Pakistan and is blamed for many of the country's ills. Aimal Kansi is seen as something of a hero - and if he gets the death penalty he will become a national martyr.

There may be a different explanation for the killings. Karachi is a violent city. Rival ethnic groups stage frequent shoot-outs, and more than 400 people have died in the city this year. One theory has it that the oil men's murderers are frustrated extortionists.

— Peter Popham, New Delhi



Freedom: Silvia Melis, 28, reunited with her four-year-old son, Luca, in her home town of Nvoro in Sardinia after escaping on Tuesday from nine months' captivity. Her father had been prevented by Italian law from paying £750,000 ransom demanded by her kidnappers

Kenya sets early date for elections

Kenyans will vote for president and parliament on 29 December, the electoral commission said yesterday, despite protests that President Daniel arap Moi, who is seeking a fifth term, was rushing the election. "The mood is of anger... It may lead to violence," said Gibson Kamau Kuria, a civil rights advocate. Since April, police have repeatedly attacked pro-democracy demonstrators, killing more than a dozen.

— AP, Nairobi

Bootleg boom

One-third of all spirits consumed in Sweden comes from bootleggers, according to a report from a joint state and private sector committee. Consumption of illegal liquor at record levels is blamed on high taxes and government monopoly on alcohol sales.

— Reuters, Stockholm

Bosnia war crimes

Revelations of alleged atrocities committed by Bosnian Muslim soldiers against civilians have emerged for the first time since the country's war ended two years ago. A Sarajevo magazine, *Dani*, reported that the warlord, Musan Topalovic - known as Caco - and men in his army unit abducted Serb civilians, brutally murdered them and dumped the bodies in a crevice in the hills around Sarajevo.

— Reuters, Sarajevo

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Bibi flies in as his party falls into chaos

The Israeli Prime Minister, Benjamin Netanyahu, arrives in London today, leaving his right-wing Likud in disarray. Friends and foes openly accused him of duplicity.

The communications minister, Limor Livnat, told delegates at a tumultuous party conference on Tuesday night: "The Likud is committing suicide."

Most damagingly for Mr Netanyahu, his national infrastructure minister, Ariel Sharon, disclosed that when the Prime Minister asked for his help in quelling a grassroots revolt, he replied: "I don't know whether to help your right hand or your left hand."

Israeli commentators speculated yesterday that the disenchantment shared by almost all his senior Likud colleagues might split the party.

The immediate quarrel, as one television pundit put it, was not over principle or policy, but "who owns the shop". The issue in dispute was how the Likud selects its parliamentary candidates. After two days of anguished debate, the 3,000 conference delegates voted to abolish the American-style primaries under which candidates were chosen in 1996.

The change was opposed by all the Likud ministers and most of its serving MPs. They feared that reversion to selection by the party conference would concentrate too much power in Mr Netanyahu's hands. Most delegates, working-class branch bosses, owe their place to the Prime Minister. A nod and a wink would be enough for them to throw out

anyone who did not toe the line.

Two weeks ago, Mr Netanyahu promised his rebellious ministers to postpone a decision, although he was widely believed to have orchestrated the demand to abolish primaries. At the conference on Monday, he was shouted down when he begged delegates to wait. On Tuesday, his lieutenants discreetly encouraged them to go ahead.

Ministers felt they had been deceived. One told the heavy-weight *Ha'aretz*: "We have to start thinking about how to revive the Likud we once knew. This isn't a party. What happened here is more like the mafia."

Before leaving for London, Mr Netanyahu held out a hand of "peace and reconciliation". Addressing parliament on the second anniversary of Yitzhak Rabin's assassination, he said: "No political difference justifies violence."

The far right is awash with conspiracy theories, suggesting that the Labour leader was the victim of his own Shin Bet security service. Some light will be shed in this murky corner today, when the government publishes a report on the activities of Avishai Ravid, a right-wing extremist who doubled as a Shin Bet informer. According to media leaks, Mr Ravid heard the murderer, Yigal Amir, discussing the need to kill the Prime Minister, but neglected to tell his handlers. The security men distrusted him, but kept him on because he was still their best source on the radical right.

— Eric Silver, Jerusalem

North Korea's enemy within

The highest-ranking North Korean defector predicted yesterday that Pyongyang's communist regime will be toppled in "several years" by its most trusted institution: the military.

The 1.1 million-strong North Korean armed forces - form the backbone of the North's Stalinist rule in the midst of a deepening economic crisis. It is relying on international aid to feed its 22 million people.

"It is inevitable that the military will rise up," Hwang Jang Yop, 74, said in a speech to a presidential advisory group.

The former member of North Korea's policy-making body, the Central Committee of the ruling Workers Party, who defected to Seoul in April, the highest-ranking North Korean to do so, based his prediction on the crumbling of the North's vast military supply industries and sagging military morale.

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How Saddam Hussein parted an artist from his money

An artist has won a legal battle for damages after a foundry lost the mould for his sculpture. He looked forward to collecting £38,500 in damages after a 10-year wait, only to discover that Saddam Hussein had come between him and his money. Michael Streeter, Legal Affairs Correspondent, unravels an unlikely tale.

Sculptor Denis Curry was understandably proud of the image of a barn owl he had carefully crafted from lengthy studies of the aerodynamics of birds in flight.

However, his plans to produce a series of nine of them, each worth thousands of pounds, were rudely shattered when the company producing the bronze statues announced it had lost the mould.

Mr Curry was only able to receive one bronze cast from the series before the company admitted it had lost the synthetic rubber mould, which to this day remains missing.

Now he has won his court case after nearly 10 years of struggle. But the Wales-based artist may never be able to collect the £38,500 High Court award, because the firm, Morris Singer Foundry Ltd, went into receivership after being owed hundreds of thousands of pounds by the Iraqi government for a 36ft-high bronze flag in Baghdad.

The company - which also made the famous crossed-swords statue in Iraq - has since been bought by new owners and the new firm is trading successfully as Morris Singer Ltd.

Yesterday the artist, from Clynderwen, Pembrokeshire, said that despite the unlikelihood of ever receiving damages, his legal claim could bring

hope for sculptors in the future. "Foundries will think twice in the future about throwing out someone's mould. They will have to be more careful about it."

His barrister, Monica Frisk, said it was clear from the High Court award that foundries had to take reasonable care of sculptors' moulds. "It gives some comfort to sculptors in the future."

The long-running saga of the missing mould began when former art teacher Mr Curry, who is in his seventies, made the first plaster mould for the 2ft by 2ft barn owl in 1988. Morris Singer Foundry Ltd then made the first bronze cast of the bird, marked 1/9, which was quickly sold for £2,500.

However, when Mr Curry asked for another cast in the planned series of nine to be made, he was told the mould had been lost. The original plaster model was, as is normal, destroyed when the mould was made.

"It was a real shock," said Mr Curry. "I have never been given an explanation of what happened to it. The foundries have absolute control [over the mould] and generally you trust them."

He said normally a mould was only destroyed by a foundry with a written undertaking that it had been properly disposed of. This is to protect illegal copies of the sculpture being made - in this case the barn owls are now valued at around £12,000.

The owner of the only existing bronze owl is now reluctant to allow new copies to be made, because his purchase is now unique.

"This has been a long long case," said Mr Curry. "I believe it establishes a precedent for an action by a sculptor against a foundry."

The receivers for the old company, BDO Stoy Hayward, confirmed they were taking action via the United Nations to get payment from the Iraqi authorities for the flag statue.



Lost dreams: The sculptor Denis Curry working in his studio in Pembrokeshire, west Wales. He hopes his successful legal fight, thwarted at such an unlikely turn, may help other artists to take a tougher stance against foundries and manufacturers

Photograph: Rob Stratton


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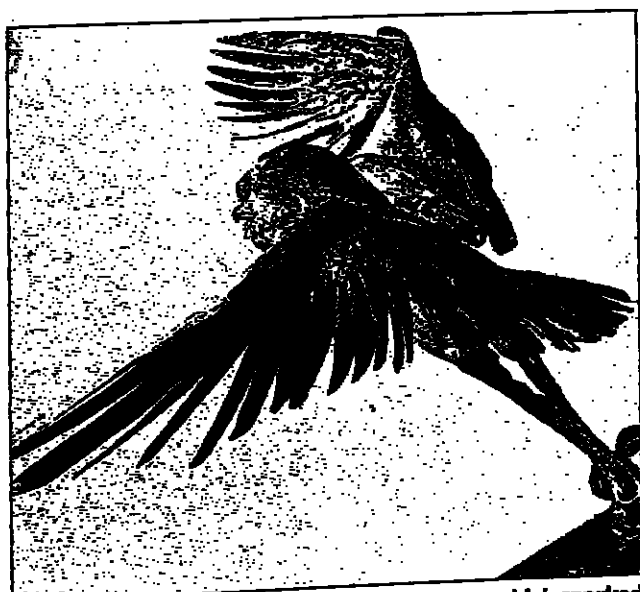
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Hoot of the problem: The barn owl sculpture which sparked the long-running legal dispute

THE INDEPENDENT

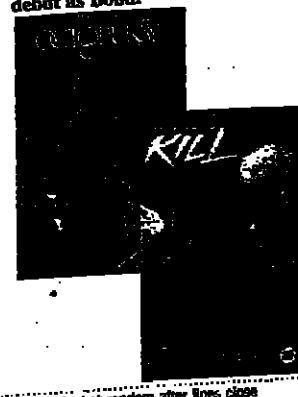
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Land of the free!
A member of the Scientology sect dressed as the Statue of Liberty, in a recent demonstration by 2,000 people in Berlin. The placard behind her reads: 'Religious tolerance now'. The Church of Scientology is not recognised as a religion by the German government. Several European countries have refused to grant Scientology 'church' status, but Germany has gone further than most in trying to stifle its activities. Photograph: Reuters



Media blitz launched in Germany's religious war

Germany has become alarmed at the success of the Church of Scientology's propaganda campaign in the US. Angered by the Nazi slur, Bonn is about to launch a media blitz of its own, reports Imre Korocs.

The gloves are off. The German government is preparing an "information offensive" in the US against its greatest adversary, the Church of Scientology. The full battle plans are currently being drawn up in the foreign ministry in Bonn, and the first missiles will strike at the heart of America in the "very near future".

The embassy in Washington, which has kept aloof from the skirmishes of the past year, has been ordered to join the fray. Complaining of a "huge lack of awareness" among US politicians, Klaus Kinkel, the foreign minister, has instructed his ambassador to start spinning US decision-makers and opinion-formers.

"Through our embassy and through the media, we shall try to spread information through America so that these false assertions do not surface in the future," Mr Kinkel told yesterday's *Stuttgarter Nachrichten* newspaper.

Mr Kinkel was shocked to discover during a tour of the US last week that many American politicians had accepted uncritically the Scientologists' assertion of "religious persecution in Germany". Germany's image reached its nadir on Sunday, when the US Congress took a vote on a motion condemning Bonn's treatment of "minority religions".

The Church of Scientology is not recognised as a religion by the German government, and is therefore not entitled to tax-free status. With the support of all main political parties, the government in Bonn has placed the sect under observation, in order to assess whether it seeks to subvert the country's democratic constitution.

Several other European countries have refused to extend Scientologists the full "church" status, but Germany has gone further than most in trying to stifle the sect's activities. In several *länder*, moves are afoot to ban Scientologists from public service. In a series of pamphlets explaining its case, Bonn has accused the Scientologists of being nothing more than a profit-driven commercial organisation, whose members are sucked in gradually and then prevented from leaving. The "church" claims 30,000 members in Germany.

Sunday's vote in Congress was defeated, but not by the margin Germany and the US administration had hoped for. The 101 votes in support were immediately seized on by the sect as a victory.

"I find it a very impressive number," said Helmut Blöbaum, President of the Church of Scientology in Germany. "It shows a lot of people are very concerned about what is happening to religious minorities in Germany."

Friends of Germany in the US establishment were exasperated. "I think it is important that we do not have Tom Cruise and John Travolta setting foreign policy in this country, and I think that is the driving factor behind this legislation," commented Doug Bereuter, a

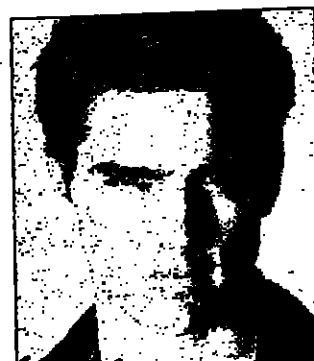
Republican Congressman. Cruise and Travolta, both prominent Scientologists, have been spearheading the campaign against Germany. They were among 34 Hollywood personalities who signed an "open letter" addressed to Chancellor Helmut Kohl earlier this year.

Their statement, published as a full-page advert in the *International Herald Tribune*, drew on perceived parallels between the Nazi persecution of Jews and the current treatment of Scientologists. "Like the book burning of the 1930s - your party has organised boycotts and seeks to ban performances of Tom Cruise, John Travolta, Chick Corea and any other artist who believe in Scientology," they wrote.

"Extremists of your party should not be permitted to believe that the rest of the world will look the other way. Not this time."

True to their promise, the rest of the world - meaning the US - has been bombarded with this kind of enlightenment ever since. The sect is promising to bring the motion back to Congress later this year, and meanwhile has other stunts up its sleeve.

The best so far is the report, fed to the *New York Times* last week, that Florida authorities had granted a German Scien-



Sect symbols: Tom Cruise, top, and John Travolta

tologist "political asylum". That would have been a massive propaganda coup for the sect, but so far both the US and German authorities have been unable to confirm the story. Its source: the Church of Scientology.

But some claims do contain an element of truth. The "boycott" of Tom Cruise, for instance, consisted of no more than a group of young Christian Democrats distributing leaflets outside cinemas showing his film, *Mission Impossible*. But Chick Corea was indeed prevented from performing at a publicly-funded concert in Bavaria because he was a Scientologist.

The Germans argue that, precisely because of their history, they are duty-bound to defend democracy with greater vigilance than might be acceptable in the Land of the Free. The mere suspicion that Scientologists might be trying to subvert public life is justification enough for the government to keep a close watch on the sect.

This is the message that Bonn will now hope to convey, presumably with a little more efficiency and finesse than in the past.

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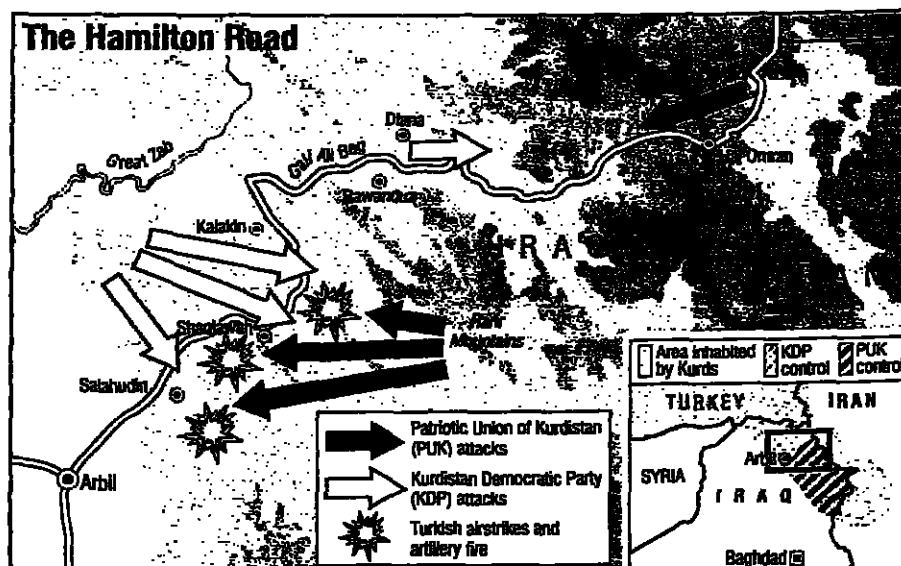
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Kurdish fighters loyal to Masoud Barzani at a hillside strongpoint. Rival factions are fighting for control of the Hamilton road (map, above right)
Photograph: Reuters



As Kurds fight over a road, Saddam tightens his grip

Two Kurdish warlords are fighting a savage battle for the control of the strategic Hamilton road, which runs through the heart of Kurdistan. At least 600 Kurds have died in the fighting. But the war is allowing Saddam Hussein to regain his power in Kurdistan.

To control the road is to control the heart of Kurdistan. It starts in Arbil, the Kurdish capital, and runs through the Kurdish mountains, twisting and turning along the side of precipices and through river gorges, to the Iranian border.

Called the Hamilton road after AM Hamilton, the New Zealand engineer who built it in the 1920s, it is the strategic key to the Kurdish mountains. In a land without roads, it is the road. For 70 years, Kurdish

warlords and foreign armies have fought to control it, until every foot of its weathered tarmac is bathed in blood.

In the last month, the Hamilton road has seen attack and counter-attack by the Kurdistan Democratic Party (KDP), led by Massoud Barzani, which controls western Kurdistan, and the Patriotic Union of Kurdistan (PUK), led by Jalal al-Talabani, which controls the east. The PUK has fired Iranian-supplied Grad missiles at Mr Barzani's headquarters at Sari Rash. He countered by using Turkish artillery fire and airstrikes to drive Mr Talabani's men off the heights they captured overlooking the road.

In this fierce civil war, which is dooming Kurdish hopes for self-determination, at least 600 Kurds have died. Saddam Hussein, the Iraqi leader, able to play each side against the other, is again becoming again the predominant power in Kurdistan from which he withdrew in 1991.

It is also a largely secret war, so far as the outside world is concerned. Almost the only point on which Iraq, Turkey and Iran - the neighbours of Iraqi Kurdistan - are agreed, is that reporters must be kept from the battle zone. All three countries want to fight their proxy war in the region without publicity.

The fighting in the last month ended a ceasefire, brokered by the United States, Britain and Turkey, which had lasted a year. Then Mr Talabani did a deal with Baghdad. He agreed to close

down the headquarters of the Iraqi National Congress (INC), the umbrella group uniting the Iraqi opposition, in Sulaymaniyah, his capital. In return, President Saddam promised not to intervene if the PUK attacked the Hamilton road (though the Iraqi leader would not let them attack Arbil, which his tanks had captured for Mr Barzani last year).

The PUK offensive began on 12 October. Mr Talabani's men attacked Shaqlawa and Mr Barzani's headquarters. In the Harir mountains they captured heights overlooking the road, which is the supply route for the KDP's frontline. At the northern end, they took Haj Omran, the border crossing with Iran, where they were aided by Turkish Kurd guerrillas of the Kurdistan Workers Party (PKK). Haj Omran is important because the Hamilton road is not just a military supply line. It is

a main route for truck traffic into and out of Iran en route to Baghdad and Turkey. The KDP draws as much as a 20-25 per cent of its revenues from this trade which the PUK wants to take over.

"Jalal [al-Talabani] always miscalculates," says one Kurdish observer. "He told his people the Americans had turned against Massoud and Saddam would do nothing. He had support from the Iranians. His misjudgment was that he did not think the Turks would intervene strongly."

It was an expensive mistake. The Turks sent in 10,000 men, though these took no part in the ground fighting, and deployed its heavy artillery and air force. The Harir and Safeen mountains, where the PUK was advancing, are bare of cover. Turkish artillery was effective and Mr Talabani's men suffered heavy casualties.

The only part of the Hamilton road the PUK and their Turkish Kurd allies still hold is at Haj Omran on the Iranian border. The reason is probably that the Turks do not want to provoke the Iranians by launching airstrikes so close to their border. Mr Barzani has mobilised 10,000 Pesh Merga (Kurdish soldiers), but he will not want to humiliate the Iranians by pushing further into Mr Talabani's territory.

For the moment, the fighting is over. The Hamilton road remains mostly under the control of Mr Barzani. Turkey has

again shown its willingness to intervene deep in Kurdistan. The US and Britain have shown they are increasingly marginal players in the region. Bizarrely, the PUK gets \$500,000 (£300,000) a month from the CIA, its other two key supporters being Iran and the Turkish Kurd guerrillas.

The biggest winner is Saddam Hussein. Last year he saved Massoud Barzani and the KDP from defeat by Mr Talabani by sending his tanks into Arbil. This year, Mr Talabani has himself established links with Baghdad.

The continuation of the Kurdish civil war suits Iraq, Iran and Turkey. It makes it easy to manipulate the KDP and PUK, and it discredits the Kurdish claim to self-determination. With neither side able to emerge as the outright winner, the struggle for the Hamilton road will go on.

UN steps up the pressure

The United Nations Security Council yesterday evening unanimously passed a resolution condemning Iraq and imposing an international travel ban on Iraqi officials. The move holds open the possibility of further, unspecified measures if Iraq continues to obstruct UN weapons inspectors.

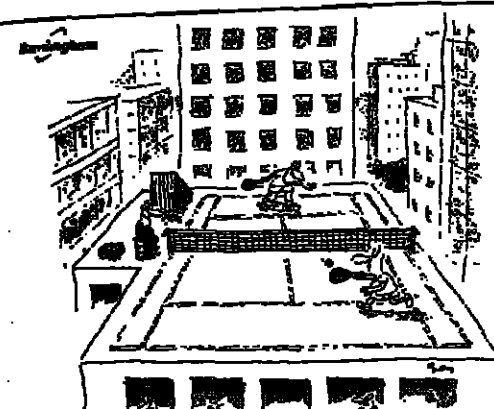
France and Russia stressed that the resolution contained no provision for the use of force, while the United States insisted that military force needed no new

Security Council decision and could not be ruled out.

Iraq, however, was still showing no inclination to allow weapons inspections to resume or to lift its ban on US members of inspection teams, turning American inspectors away from suspect sites for the ninth time in 10 days.

The Iraqi foreign minister, Mohammad Said al-Sahaf, accused the US of "deliberately trying to push the region into a crisis".

— Mary Dejevsky
Washington



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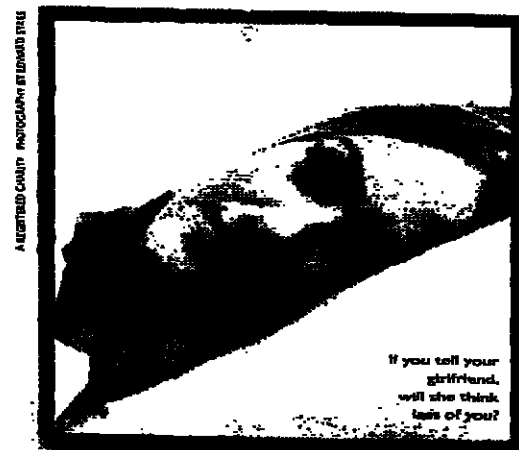
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Branson tells Brussels BA is using bullying tactics

British Airways is employing the tactics of drug barons to illegally stifle competition, Richard Branson told an EU hearing yesterday. Katherine Butler in Brussels said the Virgin boss is seeking a European ruling which he claims will give passengers cheaper fares and better service.

British Airways uses bullying tactics to ensure that big corporate customers do not switch to smaller rival airlines such as Virgin Atlantic, Richard Branson alleged yesterday. According to the Branson legal team, BA's discounting strategy was a "classic case" of a company abusing its dominant position on the market, in clear breach of European Union competition rules.

Yesterday a panel of European Commission and EU member state competition experts listened to the evidence from both sides in an effort to decide whether British Airways was guilty of abusing its dominant position to retain custom on the most lucrative routes. If they upheld the complaint by Virgin's boss, the EC could impose a fine of up to 10 per cent of BA's worldwide turnover. A preliminary assessment by the commission concluded that the discounts system operated by BA appeared to flout the relevant article of the EU treaty. "We hope and believe [the commission] will levy the maximum fine which in this case

could be tens of millions of pounds," Mr Branson said after the hearing. Comparing BA senior management to a cartel of drug lords, Mr Branson said their main tactic was to "terrify" travel agents by giving them a "fix" of discounted flights one year which could only be repeated the following year if the agent managed to increase the percentage of business tied up with BA. This led to travel agents "lying" to customers. He said BA also used "invidious" devices such as offering corporate customers

discounts on routes which Virgin did not fly in exchange for promises that they will commit all their other business to BA even on routes where Virgin is cheaper. He said discounting *per se* was not the issue but rather the fact that British Airways enjoyed a monopoly on slots at Heathrow airport. Mr Branson said that the only reason why businesses flew with BA on certain routes "is because they are forced to by their employers", citing Citibank, British Telecom and Bankers' Trust among the com-

panies Virgin had lost thanks to exclusive deals with BA. Virgin, he said, had been "almost driven out of business" four years ago by BA's "dirty tricks" campaign. BA claims that discounting is standard practice in the air-transport business. But Mr Branson called on the commission to create a level playing field. The result he said would be a fairer deal for smaller airlines such as British Midland, Easyjet and more competition on hundreds of routes. An EU ruling is expected early next year.

Train drivers turn into a rare breed

Train drivers are joining the ranks of computer programmers, accountants and lawyers as companies compete for their services. Rail operators are being forced to cast around for experienced crew with advertisements aimed at luring them away from competitors.

With salaries at about £20,000 they have a long way to go before matching the professions, but industry observers believe a chronic shortage of drivers will inevitably mean bigger pay packets.

Ironically, just months ago train companies were sacking drivers in order to cut costs. But they now realise they may have gone too far. Virgin and Great North Eastern Railway are among seven companies to have taken out adverts in the latest issue of *Locomotive Journal*, the train drivers' union journal in an attempt to attract recruits.

Recent negotiations involving Aslef, the drivers' union, have meant that the old basic wage system with a byzantine structure of bonuses and allowances, has been abandoned in favour of salaries which give drivers the kind of benefits enjoyed by white collar workers.

While bitterly opposing

privatisation, drivers' leaders argued that the break-up of the system would enable the union to target companies one by one in order to raise wages. The scramble to hire drivers could mean that the market place will do the job for them.

Part of the problem is that privatisation eroded the network's infrastructure for training drivers and Aslef believes that companies have tried to get away with a minimum number of employees to try to save money. Lew Adams, the union's general secretary, said that in the companies' rush to shed labour they had not accounted for drivers' holidays, sick leave or absence for training.

The operators point out that they are faced with a growing number of passengers and that the old State-owned British Rail had recruited relatively few drivers in the decade before the industry was sold off. Since privatisation, many of the older drivers nearing retirement have opted to leave the industry, thus exacerbating the shortage.

South West Trains and Regional Railways North East were recently penalised by the franchising director after services were cut because of a lack of staff. — Barrie Clement



Guessing game: Angry at rail companies giving inaccurate information about services and tickets, the regulator wants to set enforceable standards

Photograph: Philip Meech

Rail regulator wants power to enforce higher standards

The train information system is 'simply not good enough', says the rail regulator. Barrie Clement finds the industry may have to revert to letting people ring local stations for information.

Train operators could face tough new standards after it was found that on average one in ten passengers were given the wrong travel information.

Some two in ten inquiries are mislaid when tickets are bought in advance and when passengers ask about Sunday travel the proportion rises to one-third.

Two in ten disabled passengers are not given the correct facts to meet their special needs.

John Swift, the rail regulator, said the performance of the operators was "simply not good enough" and he is to seek enforceable standards for ticket sales and information.

Having set targets for the number of calls to be answered by the National Rail Enquiry Service, Mr Swift said he was now anxious to ensure that customers were not misled. He derided any suggestion that there were insurmountable complexities: "After all, this is not rocket science," he said. It should be possible to provide accurate, up-to-date information about scheduled services.

Mr Swift indicated that he would call on companies to con-

sider providing public lines to individual stations so passengers could get accurate local information not available nationally.

The survey on which Mr Swift based his comments was carried out by a team of "mystery shoppers" in January and March this year. He insisted they did not use "trick questions" and concentrated on the genuine needs of passengers.

Some 3,705 inquiries were made at staffed stations and 894 at telephone information bureaux. "The results of this survey will now be used to set standards of performance which operators will have to meet if they are to avoid enforcement action."

Unsurprisingly, rail staff achieved the highest success rate on straightforward transactions

for immediate travel where there were no alternative route or fare options. Here, 96 per cent of questions were answered accurately. The worst performance was registered for advance purchases involving travel on Sunday with Apex or other quota-restricted options available - 54 per cent of answers were defective.

Researchers found no systematic bias against rival train operators and customers were just as likely to be undercharged as overcharged.

Mr Swift said there would be further investigations and the priority of the next survey, to be carried out as early as possible next year, would be to collect data so that performance league tables for operators could be drawn up.

Better news for the industry came when the regulator announced that the national inquiry service had met its 90 per cent target for answering queries. The companies were fined £250,000 for failing to reach the target from 17 August to 14 September and a further £100,000 for underachieving from 15 September to 12 October. A proportion of 92 per cent was achieved between 13 October and 9 November.

Ivor Warburton, of the Association of Train Operating Companies, insisted that sales staff would do a better job next time they were tested and acknowledged there was a need to invest more in information technology. He pointed out that the regulator had commented that rail staff did a good job.

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100's OF GIFT IDEAS

Labour blocks free left turns at red traffic lights

The Government yesterday gave a thumbs down to uncontrolled turns to the left at traffic lights. Transport minister Glenda Jackson told MPs in the Commons that ministers were not in favour of a proposed adaptation to the system in the United States - where they drive on the right - turning right on red at traffic signals being introduced in Britain.

Although the department was looking at the possibility of guiding road traffic with amber arrows, she said that allowing traffic to turn left on a red traffic light signal would compromise safety.

Ms Jackson's remarks came after Tory MP Sir Michael Spicer (Worcestershire West) asked the Government to consider introducing the system at certain road junctions. He said the system had "greatly increased traffic flows" in the US.

"Traffic conditions in this country... have reached near crisis proportions. There are times when it comes to a complete standstill," he said, adding that a recent study had shown that it took a cyclist 18 minutes to make a 1.7-mile journey through London while a motorist took 38 minutes.

Ms Jackson said signalling systems would become more "complex", holding out the possibility of introducing amber filter lights to give drivers more warning of when they were allowed to turn at a junction. But she said that, unlike the US, Britain's traffic lights responded to the approach of vehicles, which "reduces unnecessary delays and the need to introduce uncontrolled turns".

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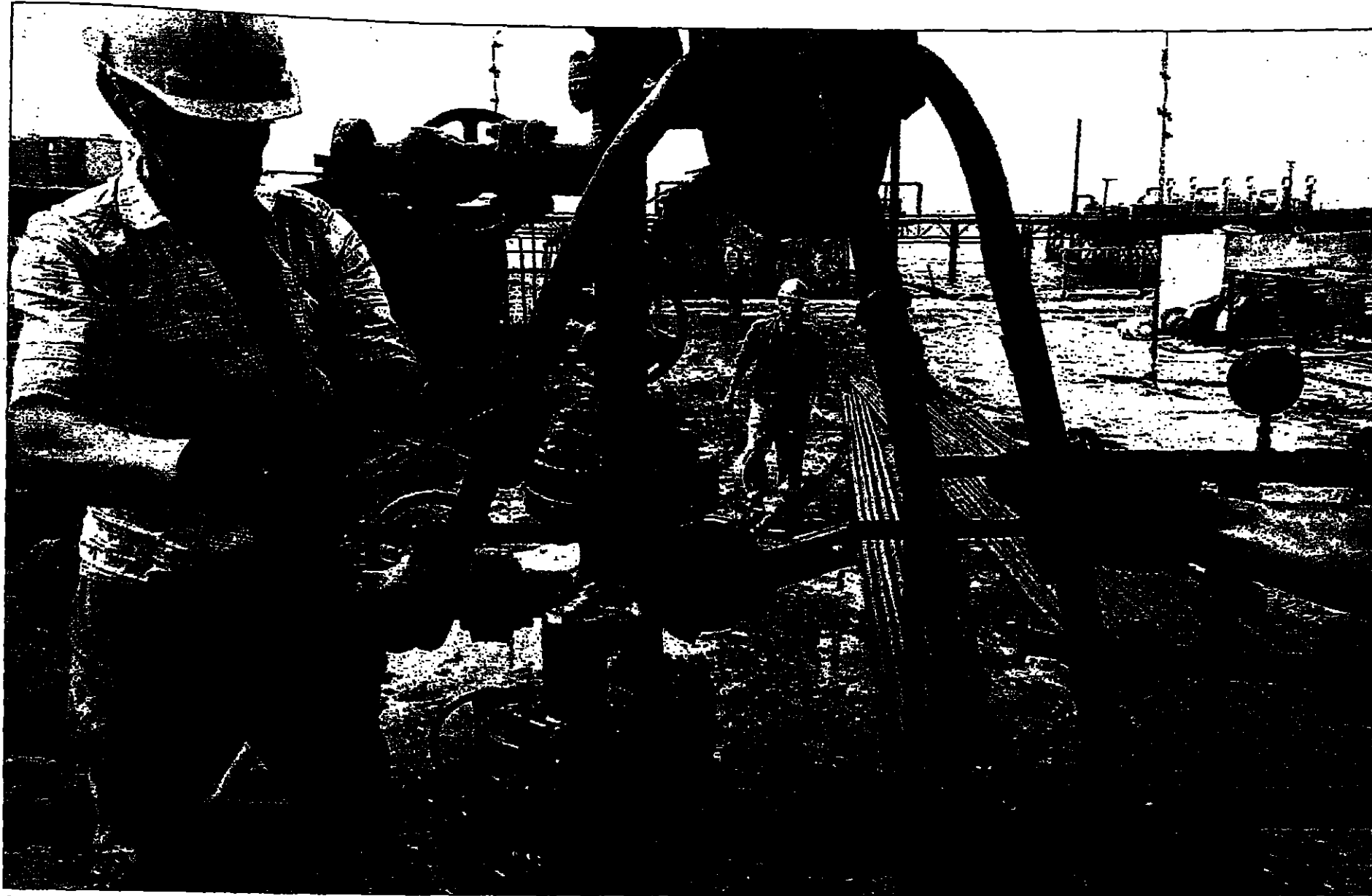
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A turn at the drill: Roughnecks at work on an offshore oil rig in the Neftyanne Kami oilfield

Photograph: Colorific



West lays its bets as the Caspian's black gold flows

The first stage of the rush for Caspian oil ended yesterday with a celebration in Azerbaijan, but plenty of snares lie ahead. As Phil Reeves reports from the Azeri capital, Baku, the West is engaged both in a new Great Game and a considerable gamble.

Eighty miles out in the Caspian Sea yesterday, a group of politicians and oilmen stood on an oil platform, dipped their hands into a bucket of oil, and smeared it on their faces. Oil smearing is a tradition in the Caspian nation of Azerbaijan when people want to celebrate. The officials - who included ministers from Britain, the US, Russia and Azerbaijan's President himself - were anointing themselves with the first oil to be extracted from Azerbaijan's Caspian oil fields in partnership with the West.

The evil-smelling sludge on their cheeks symbolised the end of the first chapter in a race for one of the most prized energy resources of the next century. It has been a tense period when the newly-independent Azerbaijan carefully parcelled out its oil wealth to a group of international oil companies in an effort to strike a geopolitical balance that would keep its neighbours at

bay. The oil in question was extracted by a US-dominated consortium led by British Petroleum - the Azerbaijan International Operating Company (AIOC). With the Azeri government, it is leading the path to the ex-Soviet republic's oil deposits, thought to be about twice those in the North Sea.

So far - despite the odds - they have succeeded without igniting any of the explosive issues that dot the map. Yesterday, international oil executives, western diplomats and Azerbaijani officials were united in self-congratulation. It was a "great turning point in the region" and a "remarkable moment in modern history", the US energy secretary, Federico Pena, told an audience locked into a Soviet concert hall in Baku for five hours of speeches.

Yet, for all the thunderous applause, the assembled investors knew this was not only a rerun of the last century's Great Game; they are also engaged in a great gamble. What, for example, happens if Azerbaijan's president, Haidar Aliyev, the chief architect of the deal, departs from power? He is 74 years old, a statistic that his aides airily wave aside. "Our President does not smoke or drink," said a presidential spokesman. "He is a very healthy man indeed."

At present, no successor is in view. But his rule over this small republic will end before the arm-wrestling over its riches, producing a power vacuum that could easily

destabilise the region. There is a "key succession issue", said Foreign Office minister Derek Fatchett after returning from the smearing ritual. Since achieving power in 1993, Mr Aliyev has transformed himself from a Politburo hardliner to an Azerbaijani nationalist who rules his semi-desert territory with an iron hand. A former head of the Soviet-era Azeri KGB, he is well versed in the murky arts of propaganda and, in particular, the personality cult. Newspapers and television are censored.

None of this has lessened the rush from Western governments, who trip over themselves to curry favour. Yesterday, Tony Blair invited him to Number 10; it is, the Government argues, better to do business with those you seek to change than to spurn them.

Next year, Mr Aliyev faces re-election, a process that is widely seen as a foregone conclusion. "When it comes to the next election, it is just a question of whether Aliyev gets 99 per cent or 99.1 per cent," said one senior western executive. He rules the roost unchallenged, despite a list of social problems that would unsettle many others. New banks, restaurants and super-chic boutiques are spouting up among the boulevards of Baku, which already has two British pubs.

But most of the country is very poor. Nor is the uncertain succession the only cloud threatening the Caspian's deceptively calm

waters. International oil companies have been pouring in investment dollars - some \$1bn (£630m) from the AIOC alone - even though no agreement has yet been reached in a legal battle over how to carve up the Caspian among its bordering nations. And there are also the volatile forces that lurk beneath the tense surface of the Trans-Caucasus - particularly the unresolved issue of the conflict between Azerbaijan and Armenia.

Moves by the United States to build stronger relations with Azerbaijan have prompted the Russians and the Iranians to

tighten their bonds with the Armenians in an effort to counterbalance Washington's rising influence in the Caspian and Baku's growing power.

The path of the main pipeline is among the most crucial issues of all. No matter what path Azeri oil takes to its western markets, it will cross territory dotted with small wars, troubled ethnic groups and geopolitical strife. Two smaller routes have already been chosen for the first oil - one, which is open, through Russia via Chechnya to the Black Sea; the other, which will open next year, across Georgia to the Black Sea.

But the main pipeline has long been a bone of contention.

It now seems certain to run through Georgia and Turkey to the port of Ceyhan. This is the most expensive of three proposed routes (the others run along the path of the two smaller pipes). But yesterday - to the annoyance of the Russians - Mr Pena made clear that the Turkish option had Washington's support. The Americans are not alone. Above all, the route is also backed by President Aliyev, the elderly ex-Soviet apparatchik whose hand most of the rest of the world now wants to clasp.

Peace pipe: Wealth soothes the troubled waters of a hostile post-Soviet world

In a region where ethnic conflict seemed to have no end, economic change may prove to be the key that unlocks surprising doors. Gayane Afrikan reports on unexpected side-effects of the oil boom.



Troubled past: Nagorno-Karabakh, scene of civil war, may now find peace

Photograph: Rex Features

The promise of benefits from oil reserves in Azerbaijan is paying dividends in the prospects for peace with its neighbour, Armenia, which supported Nagorno-Karabakh when it attempted to break away from Baku in 1988.

Levon Ter-Petrosyan, the Armenian President, stunned observers with a recent ground-breaking statement on the disputed enclave of Nagorno-Karabakh. Mr Ter-Petrosyan abruptly broke with his own previous position by saying that it was unrealistic for Karabakh to gain independence or unite with Armenia. In a newspaper article published simultaneously in Russia and Armenia last week, he talked of the "fatal illusion that Karabakh's enemy is Azerbaijan".

Increasingly, pipelines and peace have become interconnected. All countries in the region are comfortably situated to benefit from the vast Caspian resources which will bring interdependence between hostile and economically

devastated post-Soviet republics. Armenia fears being left out of the oil game unless it reaches a compromise with Azerbaijan. Mr Ter-Petrosyan said that a compromise solution was unavoidable in the face of international opposition to independence for Karabakh, and that Armenia's interests lay in achieving a compromise now, while its position is still strong.

Such a dramatic shift in Mr Ter-Petrosyan's position is prompted by the fact that cash-strapped Armenia's chances of hosting an oil pipeline to carry Azeri oil to world markets rest on rapprochement with Baku.

The direct route for a pipeline to carry Caspian oil from Baku to the west goes through Armenia to the Turkish Mediterranean port of Ceyhan.

Haidar Aliyev, the Azeri President, has publicly suggested that he would consider a pipeline through Armenia if the two countries can settle their dispute over Nagorno-Karabakh. A compromise solution would help normalise Armenia's relations with neighbouring Turkey. At present, the border between two countries is closed - not least because of historic tensions which go back to the Turkish genocide of Armenians in 1915. Such an opening up to Turkey would enable Armenia to weaken its current partial dependence on Russia.

Huge Armenian demonstrations demanding independence for Karabakh began in 1988. The issue quickly developed into the first major ethnic conflict of the Gorbachev era and played a key role in the lead-up to the collapse of the Soviet Union. Around 35,000 people were killed in the war, which has been stalemated since Armenians took control over the enclave and the surrounding area in 1994.

In the oil rush, the Nagorno-Karabakh issue has become a problem of the international community. While investing billions of dollars in Azerbaijan, it is a challenge for Western companies to get the oil out from the explosive region.

Oil will inevitably change the geopolitics of the region; this is the first serious sign of a breakthrough in almost 10 years of conflict.

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Against living too close to the ground

A lot of the London domestic architecture which has truly taken flight, has been high in the air. *Nonie Niesewand* looks at forces and fashions that lead forever upwards.

Architectural fashions ebb and flow and fashion very often makes mockery of argument. When public housing went storey upon storey skywards in the Sixties it was touted as a solution both desirable and necessary. Within a decade or so it had become anathema. Housing should be on a human scale; everybody should have their own garden. Thus will people be better socialised and better behaved.

It would have been hard to find somebody to make the argument for tower blocks for anybody, even architects. That has changed; fashionable urban middle-class people are far from blind to the virtues of high-rise urban living. Increasingly the number for whom the suburban idyll and the turn-of-the-century villa hold no charm.

Yesterday evening at the London School of Economics a group of architects met to discuss not just the desirability of a high-rise future, but its necessity. The event was called *A Date with Density - New Homes in London*.

In the urban regeneration work that one of the participants, Wendy Shillam, undertakes in London, the solution to high-rise high density is higher density. To accommodate the same number of people in low-rise housing means swallowing all available space on the ground, with a resultant lack of public amenities and a more miserable existence for inhabitants. But going up in tower blocks with careful management of the spaces in between means that you can create good places to inhabit - playgrounds and squares. Cars belong in the streets, she believes, and communal spaces are essential. And living in a tower block is not necessarily unpopular with the inhabitants.

"People who look into the incidence of crime in cities see little correlation between high density and high crime. In fact the greater correlation is be-

tween poverty and crime. What is worse is the fear of crime."

But ask the participants which existing public tower block or high-density estate they admire and they are hard pushed to name one. Even Goldfinger's Trellick Tower, social housing which has such a strong profile in brutalist concrete, very popular with architects (some of whom live there), wasn't a favourite. "I'm not a great admirer, though the middle class trendies like it. It's not what you'd call joyful - reminds me of a penitentiary," Terry Farrell says reflectively. "Though I've never been inside the Barbican, I quite like the more expressive, almost Baroque feel of the Barbican building."



Lesley Chalmers, who has just resigned as chief executive of Kings Cross Partnership, likes the Barbican. She lives there. "I love to live above the ground. I like people around, and I sold my car since I came to London, so I have to be central. I think this is a demographic trend, part of marriages breaking up, children leaving home, and part-time workers. This suggestion that everyone wants a house with a garden is from the past, a Utopian view that isn't right for today."

Harry Handelsman, chairman of Manhattan Loft Company and the entrepreneur who made expensive high-rise and loft living fashionable in London, thinks the Barbican is quite good, "though it is a bit of a wind tunnel. And I like the look of the Richard Rogers Montevetro Hovis flour mill

renovation at Battersea, but if the Hong Kong index wobbles any more, it might slow down the development."

Harry Handelsman launched the idea of downtown chic in central London's abandoned warehouses and factories to make loft living fashionable. Gritty photographs marketing Manhattan Lofts manage to make old NCP car-parks or smoke-grey cement textile mills look cutting-edge cool, along with the pictures of black cabs and free-wheeling pigeons in Trafalgar Square to set the scene.

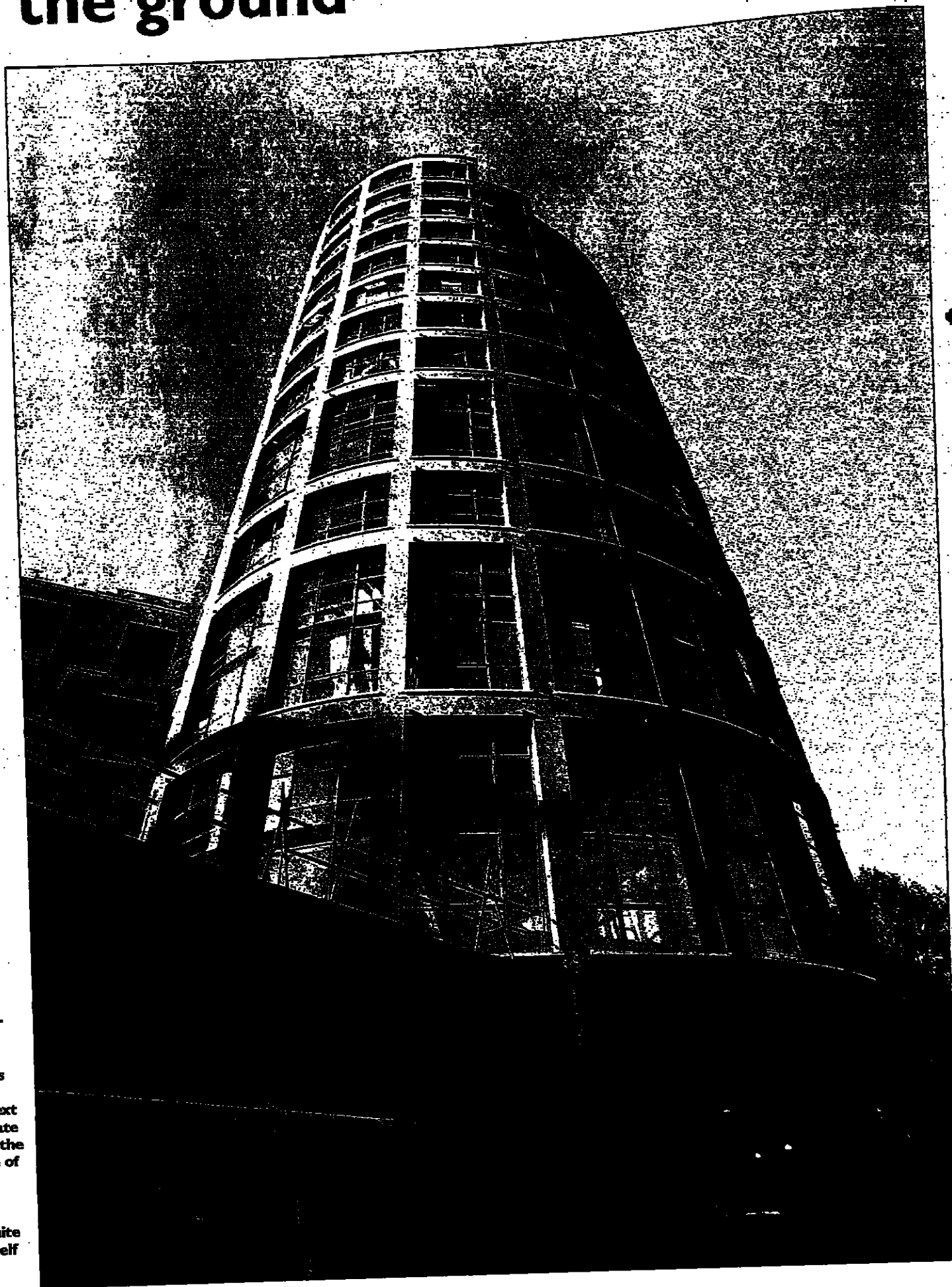
Asked to commend a new high-rise building as good, he nominates one of his own. Surprisingly enough, he may be right. "I'd really like to nomi-

nate my Bankside conversion next to the new Tate as the best example of high-density living, but I can't, it would be biased."

He likes Bankside so much that he bought the penthouse on this seven-storey block (not exactly high rise). It used to be an ugly Sixties-built block adjoining a Victorian warehouse, to which the architect Piers Gough added extra floors in a tower to make 134 apartments. Gough kept the facade simple, puncturing it where needed with suitably industrial windows, and reconfigured the inside, "a bit like pre-shrunk jeans. We structure the building to get the fit and then the purchaser steps into it," says Gough.

This is housing for the affluent, but as a template for other housing it has its relevance, which will grow stronger as the new century goes on.

A lofty ideal:
The developer Harry Handelsman nominated his Bankside conversion next to the new Tate in London as the best example of high-density living. He bought the penthouse suite (above) himself. Photographs: Brian Harris



The RAF took out a Berlin museum. Berlin wants a Brit to put it back

The Neues museum, first bombed and then neglected, will be restored by a young British architect, David Chipperfield. Who did he beat to the contract? None other than the man behind Bilbao's Guggenheim museum. Why did he win? *Nonie Niesewand* explains

News this week that David Chipperfield had beaten Frank Gehry to design the £100m Neues museum in Berlin was a bit of a bombshell. The Neues museum - not so new since Stiller designed it in the 19th century to house their classical antiquities - is no stranger to bombs going off, having lost one of its wings to the RAF during the Second World War.

Next door to Schinkel's Altes museum and the Pergamon in what used to be East Berlin, its contents, including Nefertiti's exquisite little head, have been stopping out all over town as years of neglect took its toll on the partially ruined building, with its elaborate interiors sporting columns and colourful frescos.

The museum's directors, funded by the state and monitored by the Berlin building preservationists, determined to restore the museum, and at the same time introduce new exhibition space and link it to its two haughty museum-piece neighbours. The first phase of a competition in 1994 was won by an Italian rationalist, Giorgio Grassi. Then the project went on ice - as the German's say, *versessen* - until 1996, when Grassi was told that he hadn't satisfied the brief.

The second phase of the competition began with five

architects invited to submit drawings. The final phase of the competition, Frank Gehry vs David Chipperfield, was staged in Berlin last Monday, when they set out to convince a 10-man jury of the integrity of their schemes.

Chipperfield and Gehry come from different ends of the architectural spectrum. Gehry offers groovy curves, Chipperfield right-angled rectitude.

Gehry's Guggenheim museum in Bilbao has been hailed (by David Chipperfield, among others) as the most important building of the century. Before it even opened, it was already as important a masterpiece as the works of art it housed. Gehry's sinuous shapes mean that his buildings are described as bird wings, boats, fish tails, shiatsu energy flow.

Chipperfield's solid, set-square geometry with a certain lofty stretch in scale and a delicacy in the grid-like openings is pure and refined - "like Schoenberg's music, to be studied, not read," says Alberto Campo Baeza in a monograph published by G Gill on Chipperfield. This approach won him commissions like the new Joseph menswear shop in Brompton Cross, London, and the timbered Henley rowing museum that is anything but wooden. He has a high profile in the United States, where he is designing hotels for Brian McNally in Miami and New York, a house in Martha's Vineyard for Doris Saatchi, and the Hollywood star Tom Ford's house in London.

Three years of dithering and bickering over the right way to restore the original Neues Museum and bring it into line with the 21st century split the museum team between those members looking for the "wow" factor and the historians looking at the heritage. Fuddy-duddy restoration or a radical



David Chipperfield and his model for the Neues museum (right, in its current state). His motto: "Keep everything that is original"

Main Photograph: Rul Xavier

new building? The Emperor's new clothes or a Greek toga? Herr Duder, the manager of the Staatlich museum, and all the directors of the Neues museum openly promoted Gehry. By the time the jury met in Berlin with a support cast that swelled the audience to 40, they had taken sides across the table. Conser-

vationists vs radical reformers. Chipperfield, who was first, gave a brilliant performance. He handed out copies of a book with sketches, photographs and text, for which he paid £100 for each volume in an edition of 10. Logically, patiently, he explained the losses within the existing building and how he

planned to deal with each one. One of his pluses was that he accepted the strengths of the building and sought to give a new interpretation of what was there while reconstructing as little as possible. This is as difficult as it sounds and requires great delicacy.

"The analogy that I always

use is that of a broken Greek vase. You restore it by bedding the fragments in white plaster so that you can discover the figure and the form and see what supports it and gives it substance - not to reinterpret it, or worse, attempt to replicate it."

So much for the style. Now the content. Chipperfield's

patient sleuthwork on every piece to be exhibited in the Neues museum undermined Gehry's proposal for a dazzling new triple-height exhibition hall. Looking at every single object that the Neues would house convinced Chipperfield that what the museum needed was rooms, good old-fashioned rooms. "The objects are either huge, like friezes, or small and displayed in lit showcases. I told them: everything you own is just asking for rooms and the right, controlled light, not to be shown off in big, open spaces."

In the gap where the bomb took out an entire wing, Frank Gehry proposed building a whole new exhibition space with curvaceous stairs, in direct contrast to the restored old building. Chipperfield looked upon the whole as one continuous project, without any interventions that would oppose it. As he explains, "Don't yin and yang it."

Having resolved the critical reconstruction and talked them through in sequences, he explained what he calls "soft restoration", for which four years' work at the Leipzig Bank proved a dress rehearsal for his practice. "Keep everything that is original. When restoring, make sure there is nothing synthetic about it. Don't take off the render on the facade and redo the whole thing. Keep it, patch it in the same colour, but make sure it is seen to be new. Not glaringly evident, but not faking it. To understand the fragments, you need to understand the surrogate form and maintain that authenticity."

This vogueishly palimpsest approach lets fragments and traces of the past shine through. It is more subtle than mere collage. This is no cut-and-paste job, any more than it is a painstaking reconstruction.

A palimpsest is a parchment on which an earlier manuscript

has been erased to make a clean surface for a new page. Having been written upon twice, the original writing sometimes shows through. The philosopher Jacques Derrida first used the word to explain the Post-Modern condition. The trendspotter Gore Vidal called his autobiography *Palimpsest*, and architects such as Peter Eisenman, who designed Checkpoint Charlie in Berlin when the wall was still there, used it to explain "site-related geometry".

David Chipperfield avoids any -isms, confining himself to the belief that Modernism is now ready to accept the past and that Modernists are not ideologically against historicism. "Modernists who made the brave new world had to make sure that it looked like that. We don't. We have the freedom to admit memory and to acknowledge that figure, and form, and texture are important. It's not an ideology, all this debate about knocking down or preservation. Keep the evidence, use the traces."

They applauded Chipperfield at the end of the presentation, and as he landed in London four hours later his mobile phone was ringing. He had won.

Now Frank Gehry must be nursing a bit of jet-lag. But when he was pacing the waterfront outside the Guggenheim in Bilbao before its official opening, admiring the titanium burnish of his brand-new building, I asked him about his stated ambition to submit competition entries to build the Laban dance centre in London. He is famously sore about the fact that nobody in Britain ever commissioned a building from him. "Oh no, I withdrew," he said. "Leave it to one of the young architects who really needs it."

I hope that he can console himself with that now.

19/FEATURES

Ian and Anthony Erskine: twins in life, twins in death

Ian Erskine was found hanging last Saturday; last year his twin brother had been kicked to death as he attempted to defend his father. Jack O'Sullivan reports.

Nobody seems to have been too surprised to hear that Ian Erskine was found hanging from a tree last Saturday morning. Everyone could see that he hadn't been coping since the death of Anthony, his twin brother.

Tall and lanky, the 21-year-old would stand by his house on the dreary Clifton council estate in Stratford-upon-Avon, arms folded, staring at passers-by, at war with the world. In truth, though people felt sorry for him, he was a bit frightening. But then, he had a lot to be angry about. Anthony had died last year after a fight in that same front garden, where fierce hatred springing from years of bad blood between two families was channelled into a few moments of vicious, fatal kicks to his head.

As a result, the Erskines had become the focus of national publicity. They were a hard-working Catholic family who had bettered themselves by buying their three-bedroom house. For that, said the papers, they had been loathed as "stuck-up" snobs by the Collins family two doors down. "a clan of yobbish, work-shy jailbirds". And it was the boot of their teenage son, Damian Collins, that struck the fatal blows. Anthony Erskine became the fallen hero of those who fear that Britons are in retreat from hooligans in Britain's badlands. Collins and Mark Hemmens, 22, who also took part in the brawl, were convicted of murder.

The Erskines soldiered on in their tidy home, where a solid, dark wooden front door coolly defends the respectability of home ownership. But Ian faltered. He was lost without Anthony.

"They were glued together," says Peggy Bregazzi, a 69-year-old, big, brash Liverpoolian, whose home - "Peggy's flat" - became virtually a youth club for the Erskine boys and their generation of friends. A photograph of Anthony still stands on her side cabinet, near a jar into which her gang of youngsters has this week dropped money

to pay for a wreath for Ian. "The twins were inseparable," she recalls. "They stuck together through thick and thin. If one got into trouble, the other would try to cover up. But if Ian had been the one to die first, Anthony would have survived. He would have been able to hold off. Anthony was more stable. Ian was always nervous and fidgety. Anthony looked after him because he was the stronger one."

It surprised many local people that it was Anthony, not Ian, who had perished in that fight. Ian was the hothead, the "gobby" one, as they say in Stratford. At 6ft, he was tall and physically robust, with a temper his mother always warned would get him into trouble; a loner; a low achiever, who had to attend a special school and found it difficult to get a job. When he did, he lost it within weeks.

Anthony was calm, brighter and slight, even dainty beside his taller twin; he was a peacemaker, with plenty of friends. When Anthony got a holiday job at Stratford Egg Farm, Ian joined him. But when the pair

left school, Ian stayed where he was and Anthony moved on to Debenham, working his way up to be employee of the month. The Erskine children were fiercely protective of Ian, whom Peggy remembers as a child in tiny, steel-rimmed spectacles being bullied in the street. Even Natalie, his younger sister, backed him up, telling him a job at the Stratford clothes shop where she worked.

But that world fell apart when Anthony left the house last year to take on those who had been verbally abusing his father. Hemmens and Collins were convicted of murder. But what happened was perhaps more complicated. Shakespeare would have understood. His tales are full of teenage brawling that goes wrong, as in *Romeo and Juliet*, when Tybalt dies as a result of the age-old feud between the Montagues and Capulets. The killing of Anthony Erskine, like the death of Tybalt, was not an assassination,

but a fight among young people that got out of control. The Clifton estate, for all its working-class residents, many of them on benefit and many of them single mothers, has an old-style rural feel about it. It is close-knit and inward-looking, a succession of roads wrapped around each other. Deborah Earl is, for example, one of five generations living within a minute's walk of each other. Mrs Earl, 39, lives with her daughter Gemma Jelf, 19, and her seven-month-old baby,

"People were always fighting, but only in scuffles," recalls Michelle Barker, 19, a long-term friend of Natalie Erskine until Anthony's death left her on the wrong side of the family feud. "All you got was a black eye. No one ever ended up in hospital before."

There is grudging admiration for David Collins, father of Damian, who, though now a crumpled man, is still feared as "the hard man of Stratford". People recall Damian, only 16 at the time of Anthony's killing, being threatened by his father if he did not take part in fights, and one occasion when father attacked son with a baseball bat.

This is also a culture in which legality is treated with a



Inseparable: Ian Erskine (left) with his brother Anthony. Their tragedy is so stark that it was told in headlines

rural casualness, as if the residents are living in a land beyond the law's reach. The children are streetwise and form fiercely loyal groups. As you chat with people over tea in smoky living-rooms, the talk is of so-and-so in jail for theft or some other petty offence. There is no sense of disapproval.

It wasn't a culture in which the Erskines felt comfortable. Dorothy Erskine, Maltese-born, brought with her a fierce work ethic. She kept her children away from many of the locals. Anthony, being bright, went to St Benedict's school, some distance away. "The Erskines thought they were top tier than everyone else," says Gemma Jelf, whose ex-boyfriend, Mark Hemmens, was convicted of Anthony's murder. "I think it was because they have a bought house and they are more respectable."

As another neighbour said: "They thought their kids were more than borsal kids, living where the shit don't stink." Peggy Bregazzi, matron of honour at the Erskines' wedding, puts it another way: "They worked really hard for their kids and suffered from jealousy."

The killing of Anthony left this tiny community split down the middle, between those connected to the killers by kinship and friendship, and those closer to the Erskines. Even Peggy's "family" of youngsters was split.

Mrs Hemmens, mother of Mark, says she feels sympathy for Dorothy Erskine. "She has always been pleasant to me. Even after Anthony's death there was no nastiness, no threats, nothing. But I am grieving too, for my son. In the last

couple of months I have found myself coming out of work crying, and you don't stop all day. I thought it was all blowing over, but now with Ian dying as well it's all started again."

Ian's death was, perhaps, the final chapter in this tragedy. He had many problems, as his sister Natalie said in statement after his death. Just before Anthony's killing, the twins' best friend, Brian Clarke, had been killed in a car accident. With his brother's death, he lost access to Anthony's friends, who tended to be alienated by Ian's abrasive manner. And, as a man who confided in women, he lost that outlet when he recently split from a girlfriend. He was devastated after she had an abortion. She had been pregnant with twins.

The moodiness of his youth began to take a bad turn in the absence of Anthony. Ian had been admitted to psychiatric care in recent years, but he was getting worse. On the Sunday before he died, he visited Peggy to bring her lunch, as the Erskines do every week. "He thought his friends had neglected him," she recalls. "He couldn't hold a job down, and I think he felt he wasn't doing as well as he should have been."

Ian Erskine disappeared last Thursday. He was finally found early on Saturday morning hanging from a tree. To kill himself, he had gone to an area of woodland called the Welcome Hills. It was where he had played with Anthony as a child.

On Monday his funeral will be at nearby St Gregory's, where Clifton's most famous twins once served Mass together.



The day a hairdresser gave me the cruellest cut of all



DILEMMAS

Sara used to have lovely long hair until a week ago, when a hairdresser persuaded her to have it all cut off. Now she feels desperate when she looks in a mirror. She doesn't want to wear a wig, and she knows it'll grow back eventually, so why is she reacting as she does?

VIRGINIA IRONSIDE

Ever since Samson's hair was cut off by Delilah, we've always seen hair as a symbol of power.

We talk of those American women with cascades of bouffant hair rolling down their shoulders as having "power hair". We talk of "bad hair days" when, simply because our hair isn't looking right, a whole day can seem to go wrong. Soldiers wear their hair cropped to show their great sense of strength and masculinity. Monks shave off their hair to show their reverence for God. Whenever we're low we're told to go out and get a new haircut to make us feel better. How our hair is can not only change us inside; it can also be a metaphor for our very selves, and how we want our inner selves to be seen outside.

Small wonder poor Sarah is feeling suicidal. Is there, anywhere, a single woman who, after a visit to the hairdresser, doesn't run home and either rewash it, or run her fingers through it to calm it down and make it look more personal, more like "herself"?

Hairdressers are not camp jokes, as they're so often portrayed, but powerful figures, like doctors and dentists. Otherwise why would women confide so much in them? They have at their disposal a part of our body, and in ancient times, and even today in some tribes, to get a portion of your enemy's body, eg a nail-clipping or a hair, has often given great power. If a bad spell is cast using this scrap of a person's body, it can be very effective, they believe. Some people may believe that the fear involved in having your hair cut drastically

is a psychic throw-back to ancient fears that, however civilised and sensible we may appear, we all suffer at some primitive level.

Marty, the heroine of Thomas Hardy's *The Woodlanders*, cut off all her hair to sell to a barber when her father was short of money. After she had done it, "She would not turn again to the little looking glass out of humanity to herself, knowing what a deflowered visage would look back at her and almost break her heart; she dreaded it as much as did her own ancestral goddess the reflection in the pool after the rape of her locks by Loke and Malicious", who, for a cruel joke, cut off the hair of the wife of Thor. When she meets the man she loves, who asks why her head looks like an "apple on a gatepost" she replies "I've made myself ugly - and hateful - that's why I've done." Practically, he replies, "You've only cut your hair - I see now."

Sara is not hateful, she just feels so. She feels she appears like a different person, that she presents a horrible face to the world. But in fact she has "only cut her hair". And she should remember that no one can be persuaded to do anything that a bit of them doesn't slightly want to do anyway. She may not like the bit that agreed with the hairdresser, but it's a bit of herself she must respect, and learn to love. It could be that it is a weak, childish bit of herself that she fears and loathes.

Or it could well be that it is a brave, positive and powerful bit of herself that frightens her - but, whatever, it is part of her, and it needs to be accepted.

WHAT READERS SAY

Just be glad your hair will grow again

Ten years ago, at the age of 13, I lost all my hair including eyebrows and eyelashes. I have had blood tests and seen specialists, who cannot explain my total alopecia. I wear a wig, which is undetectable even to my work colleagues. I am used to it now but cannot help feeling that you are very lucky to have hair.

Miss K Playle
Hford, Essex

Seek counselling

This is not a trivial problem for Sara, so it is not a trivial problem. Her long hair was clearly her crowning glory, and it seems as if the loss may have triggered off "memories" of some earlier trauma. Changes of feeling and emotion are often clues that the body needs care and attention. What causes me concern is the depth of Sara's depression, and the fact that she mentions suicide. I would suggest counselling.

Nicholas E Gough, Swindon

Short hair is fun

Short hair within our society generally means that a woman is capable of leading an orderly life, whereas women with long hair are looked on as glamorous and full of mystery. This obviously is not the case in the real world, and models and actresses have proved that short hair is sexy and fun. So the next time you look in the mirror, think of Teri Hatcher, Meg Ryan and Ulrika Jonsson, and how great they look with short hair.

Ms M Aziz
London N11

Embrace the new you

I speak as a hairdresser. If you had been 100 per cent enamoured of your beautiful long hair, you would never have been persuaded to have it cut. I suspect you were anticipating a new you. It is a new you, Sara; look at different make-up, colours, etc. If you feel the cut is well done, enjoy it.

Janet Whitaker
Lilleshorpe, Leicestershire

I know how you feel

My heart goes out to Sara. All my life I have had long, thick, wavy hair, except for two occasions as a child when my mother coaxed me into having it cropped. Each time I was flattered and rewarded - only to feel bereft and desperate. Even now, aged 37, I am still petrified of having my hair cut. Yet this is not out of vanity; what hurt was the loss of my identity. That is why Sara is grieving so badly. She says "I just don't look like me any more" and I'm sure she doesn't. Indeed, people use drastic haircuts in times of trauma, when they don't want to be their former selves any more.

I once went to a hairdresser who tried her hardest to persuade me to have it all cut off. Please note: her hair was very short. I think she was jealous. I did not give in. And I hope hers all fell out, the thoughtless cow.

Debbie Shimman Green (Mrs)
Hawkesbury Upton,
South Gloucestershire

NEXT WEEK'S DILEMMA

I recently did some tax work for my father-in-law. I spent several days on it. I saved them a huge amount of money, and all I got as a present was an egg-timer.

My in-laws are so mean and selfish - they've never offered to help our new baby, but we've had to entertain them and their distant relatives with four-course meals in four-star hotels. It's all take and no give. My husband says I should change, and not be so gener-

ous, and that they're just like this, but I was taught that meanness is sinful and it is Christian to be thoughtful of others and generous.

Now my father-in-law has just rung to ask for advice on shares he's giving his other grandchild - not ours. He's said that as we're Labour supporters we don't believe in shareholding. Should I shoot him or poison him? What do you suggest?

Barbara

Letters are welcome, and every one who has a suggestion quoted will be sent a bouquet from Interflora.

Interflora: personal experiences or comments to me at the Features Department, 'The Independent', 1 Canada Square, Canary Wharf, London E14 5DL (fax 0171-293 2182) by Tuesday morning.

And if you have any dilemma of your own that you would like to share, please let me know.

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A hard lesson in the reality of government. Now learn it



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We can safely declare New Labour's honeymoon over. It couldn't have continued for ever, of course, but the manner of its ending is interesting and should worry Tony Blair. Derision about the Formula One affair is widespread and justified. The blame can be levelled nowhere except Number 10. Had the Conservatives not been up to their nostrils in worse problems before the election, and therefore an implausible prosecution team now, the damage to the new Government would have been worse. But as it is, William Hague had his best day at the despatch box yet and made some telling points at the Prime Minister's expense. So what went wrong and what can be done?

Let us deal first with the main Tory attack on Blair – that he is an unprincipled opportunist reneging on promise after promise. This has some "political truth" – meaning that it will stick. There have been U-turns since 1 May, and some maladroitness in handling of tricky issues. Given that Labour was out of power for so long, arriving in power with so many high hopes and so many inexperienced people, it is hardly surprising. But the U-turns have not (yet) been highly significant in policy terms.

On the big questions of educational and political reform, Europe and the welfare state, Mr Blair seems to be sticking to his guns. If he delivers there, then none of the rest of this will matter. It is small stuff. Mr Hague is making a serious mistake in portraying the Prime Minister as the cynical boss of a government of tricksters. It seems implausible and therefore irrelevant, and won't help the Tories. Most ministers, including Tessa Jowell, are people of honest conviction trying to improve the country. They make mistakes; and the world is a little more complicated, perhaps, than it seemed in Opposition; and it is the duty of the Conservatives to point this out. But we are not governed by charlatans.

All that said, there are contradictions in New Labour which the Ecclestone affair exposes. In zooming away from Old Labour dislike of entrepreneurs and busi-

ness, the party's leading reformers have gone too far the other way. From being people who could do no right, the glitter tycoons have become people who can do no wrong. It started, no doubt, as a shrewd opposition strategy. Mr Blair's friendship with the big cats of corporate Britain was used to demonstrate to the voters that the party really was pro-enterprise. After 18 years in the wilderness, it really was necessary to show people that Labour wasn't simply an eternal pressure group. So the successful stars of the private sector found themselves back-slapped, courted, flattered and consulted. Some, seeing the way the wind was blowing, gave Labour money. The circle of "Tony's friends" would always widen, it seemed, for a successful business supporter.

Nothing wrong, perhaps, in that, except that the Government seemed to forget that most business leaders are also lobbyists; responsible to shareholders and looking for opportunities. They may be privately chuffed to meet the Prime Minister and

they may be privately keen on a pro-capitalist alternative to the Conservatives, particularly after their anti-European turn. But they are not rootless philanthropists, keen to do a good turn and hand over cash just for the sake of it. They know that political donations buy access, and the chance to put one's case in a friendly atmosphere to the people who count – while a rival (in this case a rival sporting industry) doesn't. That was what happened under the Conservatives, and what happened here. New Labour was elected to govern for all of us. It needs to recognise that entrepreneurs and business leaders are not gurus or miracle workers but focused financial performers with their own agenda – people who are experienced about money and power. Government should treat them politely, cautiously, respectfully – but ultimately, no differently to society's other voices. Under the Conservatives, ministers' long-standing personal friendships with merchant banks, some industrialists and a few corporate

buccaneers meant that the private and public sectors became too hotly intertwined. It mustn't happen again. It is not possible both to have corporate chums, who pay money to your party; and to be a genuinely reformist government, opening the country up to more of its people.

Some of the reforms now being pursued, including capping political spending and publishing lists of all substantial party donors, are very welcome. But it shouldn't have needed the Ecclestone affair to get Labour moving. When Mr Blair was elected, he raised our hopes about a genuinely fresh start for British politics. This is a country that has been disappointed so many times before that a particular weight rests on his shoulders: if he lets people down, they will turn away from politics with disgust. So forget the Commons row, or what one minister or another thinks – what the Prime Minister needs to know is that many of his natural supporters have been jolted, dismayed and annoyed.

Post letters to Letters to the Editor and include a daytime telephone number. Fax 0171 293 2056; e-mail: letters@independent.co.uk. E-mail correspondents are asked to give a postal address. Letters may be edited for length and clarity.

LETTERS

Funding the theatre

Sir: Thank you, Polly Toynbee (article, 10 November), for focusing attention on how the Lottery has become a poison chalice for the arts. But the issue is not "financing the arts" generally. The crisis affects the live performing arts.

Art that can be mechanically reproduced (books, films, videos, paintings, CDs) and object art in museums have no problem of financing or valuation. Backed by industries or, in the case of auction houses, a major element of our commercial life, they need no special government support.

The live performing arts are dead or dying because they cannot make a living wage from ticket sales for a physical event that is distorted or destroyed when subject to mechanical amplification. A playhouse has to be intimate – like the Greenwich Theatre. An opera house can be larger, but not much.

No theatre company in Britain now employs a company of actors on a year-round basis, whereas well over a hundred do so in Germany. Money for the arts at the local level is distributed by centrally funded remote quangos, which are naturally nervous about their impossible responsibility. But a theatre company needs a close relationship with its economic and social hinterland.

Even when local government was permitted to spend a penny rate on culture in the 1950s and 1960s, there was no obligation on it to do so. But the live performing arts should be recognised as being, just like universities, an essential element in our culture.

Constitutional reform being prepared by Mr Blair should include establishing a local government framework with a built-in obligation to rebuild the culture of the live performing arts and reconnect them to audiences (and electorates) that now, in most cases, simply do not know what they are missing. TOM SUTCLIFFE
London SW16

Sir: We write in praise of Polly Toynbee's article about misdirected Lottery funding of theatres. We are the current company in residence at Greenwich Theatre. Our audiences are large, appreciative and loyal to this venue. Greenwich is

a theatre which gains a wide and varied audience with its policy of affordable seat prices.

So we feel bewildered, hurt, and deeply shocked by the news that this wonderful theatre is threatened with closure. We know that the previous Tory governments have left a trail of callous thoughtlessness about our heritage of theatre, made manifest in so many dead companies and empty buildings already. But while we understand the mess Labour has to wade through, we urge the new government to have foresight and wisdom, to stop the rot now.

DESMOND BARRIT;
OLIVER HADEN; ROBERT HANDS; OLIVER JACKSON;
RACHEL KAVANAUGH;
GRAHAM KENT; FRANK LAZARUS; DARREN ROBERTS; ELEANOR TREMAIN; LESLIE UDWIN;
TONY WHITTLE
Greenwich Theatre
London SE10

Woodward verdict

Sir: Valerie and Martin Hewitt (letter, 11 November) raise important points in calling for a reassessment of jury trials. However, there are other factors raised by the Woodward and O J Simpson trials.

Very few jurors, and even fewer lawyers and judges, will have any scientific training above the equivalent of O-level. I have spent many hours seeking to explain medical and scientific evidence to lawyers. It can be a difficult task.

Courts frequently misunderstand technical evidence, sometimes giving it undue weight (especially in the case of DNA identification) and sometimes insufficient credence.

I do not think that an adversarial court system is an appropriate way to examine highly technical data. I understand that in Scottish law a sheriff at a fatal accident inquiry may

elect to have an independent technical adviser sitting with him and advising the court. Such a system could greatly improve the quality of the legal process. J V PARKIN
Lancaster

Sir: After verdict, one of the prosecution spokesmen in the Woodward case queried whether justice had been done to the baby, Matthew. In this country too, the belief seems to be growing that the function of the criminal courts is to do justice between the offender and the victim, who (or whose family) has some sort of right sufficiently to enjoy the offender's suffering through punishment.

Kenny's *Outlines of the Criminal Law*, the standard student textbook of my youth, taught that the criminal law was to offer society the protection of the state from socially disruptive behaviour. The purpose was not to satisfy the lust for revenge but

to protect the public, and to reform and to deter.

Of course, if there is no such thing as society ...

Are we now beginning to say that she was right after all? TOM U MEYER
Lostwithiel, Cornwall

Sir: Now that Louise Woodward's verdict of murder has been reduced to manslaughter, many Britons – led by some British newspapers – are planning a hero's welcome for Ms Woodward when she returns home.

Even with a reduced verdict and a sentence of time served, Judge Zobel reaffirmed the central fact of the case: she is responsible for the death of Matthew Eappen. She is no hero. To treat her other than as a convicted killer puts British nationalism above human justice. DAVID O'NEIL
Boston, Massachusetts

Elected mayors

Sir: You correctly say that my Private Member's Bill will open the possibility of elected mayors for local authorities ("Shopping for votes in the supermarket", 10 November). However, you confuse me with my namesake, who is a Liberal Democrat peer. I am, in fact, a crossbencher.

As chairman of the House of Lords Select Committee on Relations between Central and Local Government (and as president of the Local Government Association) I was encouraged by the Government to introduce a Bill which would allow democratic innovation in local authorities in England and Wales. This will allow local councils not only to draw up proposals for elected mayors and cabinet committees, as your article said, but also the possibility of backbench scrutiny committees and other forms

of executive control. The important thing will be for individual councils to develop reforms which are suitable for their own authority and the people who live there.

Turnout at local elections is unacceptably low. My Bill will give councils the opportunity to improve the way they do business in order to revitalise local democracy. An elected mayor is just one way of achieving that. LORD HUNT OF TANWORTH
House of Lords
London SW1

US and the UN

Sir: The United States is eager to punish Saddam Hussein on behalf of the United Nations for his failure to observe UN rulings. Is it not first of all time to require the United States to observe UN rules and pay the dues for which it is in debt? JOHN ROBERTS
Littlehampton, West Sussex

Beardless Jesus?

Sir: Bearded myself, I applaud Nicholas Schoon's cogent defence of the facial follicle (11 November). However, honesty compels me to point out that Jesus may not have been bearded. No portrait of the Lord exists, but some scholars point to pictures of near-contemporary Jews which show them clean-shaven, like most males in the Roman Empire in the early first century. The bearded Jesus derives from a much later tradition of iconography.

Incidentally, in today's church, beards are often taken to indicate a tendency to "happy clappy" evangelical theology. Is there any correlation between the hirsute members of New Labour's team and their political yearnings? The Rev PETER HATTON
Droitwich Spa, Worcestershire

Fables part two: the feeding of the five thousand (ducks, that is)



MILES KINGSTON

Today I bring you three more cautionary fables for our time. 1. Once upon a time there was a left-wing politician who became an MP for a town in the North and was later promoted to the Cabinet when his party came to power.

This meant he would have to live part of the time in London, so somewhat reluctantly he acquired a small flat north of the Thames. It was just down the road from a common with a pond, which reminded him of the country although truth to tell he did not live in the country back home, but in the posh leafy suburbs.

His wife always came with him when he travelled to work in London. She didn't like London, but she knew that all Cab-

inet ministers were tempted to have affairs sooner or later and she thought he would be less likely to have one if she were there. (Mistakenly, as half the fun of an affair is the exciting, clandestine deception of it.) However, he was far too busy to have an affair, and didn't even feel pestered by the occasional press photographer who hovered outside his gate.

One day, when he was promoted further up the Cabinet, there were eight or 10 photographers outside, which was a world record for him.

"Give us a picture!" they shouted. "Come on Charlie!" He would have ignored them except that his wife urged him to be friendly to them. "Give them what they want

and they'll go away," she said. "It's always best to have them on your side. Just let them have a few shots."

"Shots of what?" he grumbled. "Take some bread down to the pond and feed the ducks," she said. "Try the friendly, domestic, caring image!"

And so he did. In fact, he quite enjoyed it. Two or three ducks wandered over to him, and he threw them a morsel each. Then they asked for more. He gave them a second morsel each. Other ducks, sporting his charity work, hurried over. He tried to give them a bit each. Before he could share the bread out fairly, many more ducks appeared from nowhere. Finally, there was just a crowd

of angry, open mouths. "The bread's all gone!" he shouted. "I haven't got any more Go on buzz off! Go and find your own food!"

In five minutes that man had gone through a process which it normally takes a politician several years to accomplish.

MORAL: Take more bread or go where there are fewer ducks. 2. Once upon a time two couples were having dinner together in a restaurant and, when every other topic had been exhausted, somebody brought up the subject of cotton buds.

"I blame women, myself," said one man. "They should never throw cotton buds down the lavatory."

"Why not?" said someone.

"Well, if you have ever been to a sewage farm, as I have, and you have seen the amount of cotton buds floating on the surface, you will realise that when we throw them down the lavatory, they become the top trouble-maker in sewage farms."

Nobody said anything, but everyone had their own private thought in reply.

Number one, who was a statistician, thought that he would require proof that it was women rather than men who threw them down the loo.

Number two reflected that he had never seen cotton growing, and that when he used the word "cotton-picking" (as he sometimes did ironically) he had no idea what it meant in

terms of actually picking cotton. And Number three – who actually worked as a manager of sewage farms, but had never told anyone this – thought that if he told everyone what really was the top hazard at sewage farms, it would bring dinner to a halt.

MORAL: Come on girls – throw your cotton buds in the bin, not down the loo!

3. A man who was sailing round the world was stopped by another man sailing round the world, who asked him if he had any black material on board.

"What do you want it for?" he asked.

"To wear as an armband for Princess Diana's death."

"Who is Princess Diana?" he asked.

The man looked at him oddly.

"Princess Charles's wife."

"Princess Charles?"

The second man looked at him even more oddly.

"How long have you been sailing round the world? Don't you ever hear the news?"

"About 15 years, and no, I don't hear any news. So how did Diana die, whoever she is?"

"In a car crash. Same sort of way as Princess Grace."

The man gasped.

"Is Princess Grace dead? How awful. I thought she was the most wonderful woman."

And he asked for his armband back.

MORAL: If you're going to sail round the world, at least read the local newspaper.

That tricky bl...
realism and i...



ROBERT
DRAVETT

cars, town



COLIN
WHEELER

MINISTERS
STRUCTURE

That tricky blend of realism and idealism



RUPERT CORNWELL
DIPLOMATIC EXCUSES

Idealism and realism. They are the twin driving forces of diplomacy, and striking the correct balance between them is the very art of statesmanship. Pity therefore poor Mary Robinson, in London yesterday to mark her second month as the United Nations Commissioner for Human Rights. Mrs Robinson, the former President of Ireland, was appointed to give the UN a louder voice in a field where, to put it mildly, it has not excelled.

But yesterday that voice was curiously muted. There was, for instance, no castigation for Algeria. Speaking out prematurely on human rights violations, she warned, could do more harm than good. The key was to find a balance between quiet diplomacy and being a moral voice. And so on and so on. The demons of realism and idealism had already got to her. For comfort in her dilemma, however, she could do far worse than watch Douglas Hurd's current BBC series.

These are not good times for Hurd. Former Tory Cabinet ministers - Michael Portillo, Alan Clark, now him - return to haunt the small screen: Have they no decency, do they not remember what happened on 1 May? But Hurd of the safe pair of hands, who had Britain punching above its weight in the global arena, has come in for some particularly savage revisions, above all for his role in the Balkan conflict. Be that as it may. He is a splendid broadcaster, wise but not condescending, plummy but not too plummy. *The Search for Peace* may not find it. It does at least illustrate the pitfalls along the way of realists and idealists alike in this uniquely bloody 20th century, from Sarajevo to Sarajevo.

Of those Hurd talks to, no idealist is greater than Eduard Shevardnadze, whose part in the peaceful dismantlement of the Soviet empire must place him in the first rank of modern statesmen. Shevardnadze is a latter-day Woodrow Wilson, an unqualified believer in collective security. Gorbachev's Foreign Minister insists that the surrender of Soviet global power was an act of idealism. Foreign policy not only can, but must, be run on the basis of principle and universal human values, he maintains: the task of the United Nations is to not to react to events, but to forestall them.

This would have seen the UN moving decisively to nip the Yugoslav civil war in the bud - something Hurd insists was simply asking too much. "It would have meant acting early, accepting risks and casualties and taking over a country and imposing on it what we thought should be done." Beyond an acknowledgement that the term "safe haven" should never have been invented, and that the split of ground and air commands between the UN and Nato was a recipe for disaster, *mea culpa* is not a sentiment that greatly features in the Hurd di-

agnosis of what went wrong in Bosnia. But pause an instant before hurling boogers at the world-weary patrician in his old Etonian drainpipes. Hurd the cynical *Realpolitik*er who "appeased" the likes of Slobodan Milosevic. Shevardnadze may be an idealist, but the decision to let Eastern Europe go was equally an act of political realism: empire's burden was crushing the Soviet Union to death. Hurd may not seem to help his cause by confessing an unfashionable admiration for Anthony Eden; in fact, Eden's record as Foreign Secretary, from resigning in 1938 rather than play along further with Hitler, to his brokering the division of Vietnam after *Dien Bien Phu* in 1954 and persuading the Americans not to plunge into South-east Asia a decade before they were fatally to do so, was eminently creditable.

Eden is stigmatised as being too much of a realist. But when he went off the rails, it was over Suez, as an idealist who believed that in Nasser he was fighting an Arab Hitler; he was unable to comprehend Britain's diminished power and that the Americans would refuse to support what they saw as a last twitch of colonialism. Had Eden been more of a realist - more of a Hurd one might say - Britain might have been spared its greatest post-war humiliation.

And such paradoxes persist to this day. In the end, a settlement was imposed on Bosnia not by an idealist but by Richard Holbrooke, realist *par excellence* - a diplomatic thug who understands power, and the limits of power. China's behaviour in Tibet may be a monstrosity, but Mr Holbrooke tells Mr Hurd, a Western rescue of that unhappy country "just isn't going to happen". Or take Robin Cook, so different from Hurd sartorially and in most other ways, who is now wedded to an "ethical foreign policy". Unanswered, however, is whether Britain will place outrage over Saudi Arabia's human rights record above the preservation of multi-billion-pound arms contracts. As the Americans say, don't hold your breath. And, just yesterday, Mary Robinson.

The real trick is to blend realism and idealism. Sometimes, as in the Gulf war, the task is easy: in opposing Saddam Hussein, their demands coincided perfectly. The same, in retrospect, was almost certainly true in Bosnia. But hindsight is always 20/20. It can be argued there is no conflict between realism and idealism. Should not the latter always be the goal of foreign policy - the former merely the means, where necessary, to achieve it? But many good men have fallen along the way. As Hurd the realist points out, the League of Nations and the aspirations of President Wilson died at Auschwitz.

Unarguably, however, this bloodiest of centuries is ending on a more hopeful note than it began. Plainly the Western powers will be in Bosnia for a good while yet. Equally clearly, other conflicts could erupt, especially in the Middle East. But after two hot World Wars and one 40-year Cold one, no global conflagration beckons. Far more likely, messy and sometimes barbarous civil wars will be the stuff of the future, calling for peacekeepers and humanitarian aid, but not the despatch of half-million man armies halfway round the world. And the lone superpower is benign. You may object to its economic and cultural sway, but in diplomatic terms the risk is not that the US may withdraw from it. For this reason perhaps Hurd is cautious: "Three steps forward and two steps back." But even on that reckoning, *Pax Americana* is progress. For a while at least, realism and idealism are in reasonable harmony.

Early examples of the universal impulse to reveal all



Detail from 'Myographia Nova', 1698, by Joannis Browne, from the archives of the Royal College of Surgeons of England



JOHN WALSH

Whatever you make of the Louise Woodward judgment, you must have stopped to ponder the level of intelligence displayed by the Boston judicial system. It should come as no great surprise that the attorneys of New England are legendary in *Stateside* legal circles for their lack of common sense. You want proof? Into my hands has fallen a page from the *Massachusetts Bar Association Lawyers Journal*, that offers a dozen examples of no-brain questions asked in cross-examinations by attorneys. Some of them are brilliantly self-cancelling one-liners ("Now doctor, isn't it true that when a person dies in his sleep, he doesn't know about it until the

next morning?"; "How far apart were the vehicles at the time of collision?"; and "You were there until the time you left, is that true?") while others are surreal exchanges with witnesses. "So," asked one brief, "the date of conception was August 8th?" "Yes," says the baby's father. "And what," persists the attorney, "were you doing at that time?"

Literary parties are a little thin on the ground in these autumnal, post-Booker times, but Penguin Books put on a very jolly thrash on Monday at a gallery in the depths of Piccadilly. Fishy mouse things on individual spoons, crushed cranberry liquors, David Lodge, Jonathan Coe and Barbara Trapido.

It was about halfway through that one became aware of a tiny row brewing between the venerable firm's two most senior executives. It's about the Penguin logo. The fat little bird with the dangling flippers, the soup-and-fish frontage and the sideways gaze has been with the firm since Allen Lane invented the paperback 60-odd years ago. But Helen Fraser, the new-broom managing director and editorial *überfrau* of Penguin General Books, thinks that it might put off some potential readers. "Hip teenagers and fans of commercial women's fiction might not expect to find the Penguin logo on certain books," said Fraser with diplomatic periphrasis.

"There's a danger that the bird might give the wrong signals to those markets." In other words, it's too middle-class, too "literary", too inaccessible? "We're just trying to broaden the brand," she said. Her colleague, Anthony Forbes-Watson, managing director of the Penguin Group, does not share this view. He would like to see the logo on the cover of every Penguin book, so there. Some of the guests,

hearing that the bird might be pensioned off, hit the roof. It was, they said, one of the strongest brand images in the world, along with the St Michael label and the Coca-Cola bottle. How could they? Someone brought up the Terry Waite story - how, when incarcerated in the Lebanon, he'd begged his guards to bring him English books to read. The non-Anglophone screws had done their best but ended up with works such as *Diseases of the Middle Ear* (6th edition, illus). Tell you what, said Terry. Look out for this little bird (he sketched a rudimentary penguin) and you'll have what I want. And thereafter he was brought only Pen...

"For heaven's sake," said Helen Fraser, "We're only talking about it. And people made the same objections in the days when all Penguins looked identical and Tony Godwin said one day, 'Hey, why don't we put a picture on the cover...'"

The new exhibition at the Royal College of Art displays a collection of flayed bodies called "The Quick and the Dead" and looks at how the anatomy and physiology of the human body has been displayed down the centuries. What is of most interest to the passing voyeur is not, however, the flensed muscles and *searhead* torsos, the loving efflorescences of dissected abdomen and extruded womb - it's the poses adopted by the figures.

There's something unsettling about a human figure which, though it's had its skin removed and all its tendons are showing, is waving cheerily at you. Another figure, a naked man, is lifting the skin off his shoulderblade to show you his trapezioid muscles, flashing a cheeky grin at his spectators. Elsewhere, a fat neo-classical lady discreetly veils her breast

with an arm, while the mysteries of her larger colon are on shocking display to the world.

The only puzzle is how familiar all this is - not the pictures, but the aesthetic impulse to show off your insides. It only takes a minute for a former Catholic to find the *locus classicus* of such exhibitionism. It's a picture of the Sacred Heart that used to hang in every Papist hallway, depicting a sad Jesus Christ indicating with a forefinger the state of his devastated aorta, from which light is streaming like a bad-taste Pearl & Dean advertisement. We were supposed to understand that it was all our fault he was in this condition, even though (said his calm, direct gaze) he forgave us. Not all the pictured eviscerations of Andreas Vesalius, Joannis Browne and Da Vinci himself can match that early, guilt-ridden exposure to the Guts of God.

The presenters of the *Today* programme must be getting a little tired of complaints about their apparently neurotic obsession with Westminster politics. In April this year, and again more recently, the broadsheet letters pages have been full of querulous nagging: there's still too much politics, too much spin-doctor rumour and lobby gossip...

Yeah, but have you heard the programme lately? It sounds as if they've been trying a little too hard to lighten up. In the last few days, they've mulled over the concept of "middle youth"

(a would-be-groovy version of middle age, according to a new style magazine) and speculated about the significance of Blue Nun Liebfraumilch and its return to the nation's off-licences. But I don't think their hearts are in it. You can tell they'd be happier with Gordon Brown and some non-endogenous growth statistics. Frankly, the strain is beginning to show.

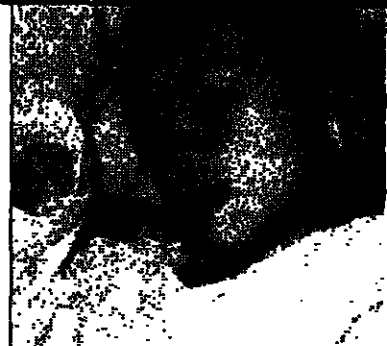
This morning, James Naughtie, in his finest Aberdeen growl, interviewed a fellow Scot called Julie, one of several people who are convinced they have met alien beings. Naughtie asked Julie to describe her experience. She had been asleep in her bedroom, she ventured, and woke up feeling unable to move. A strong light was shining through the window, she further recalled, and she was aware of "four small, squat beings around my dressing table". "Four humanoid shapes?" pressed Naughtie. Indeed, said the faltering Julie. "Did you," snarled Naughtie, "have a conversation with them?" No, said Julie, shyly, she did not. You could hear the snorts of derision. Short of actually saying "Did you interview them?" Naughtie couldn't have expressed any more clearly his wish to get his hands on a decent subject for interrogation. ("Look, isn't it perfectly obvious that the Humanoid Party is a dead duck? Don't your recent statements about interplanetary travel represent a 180-degree U-turn...?")

Bulgaria in Crisis

Appeal to Independent Readers

LEFT TO FREEZE

Yordan, 1½, already malnourished could die from cold and hunger this winter unless aid reaches him now. With temperatures plummeting to -15°C Yordan's scant clothing and no shoes offer him little protection from the bitter cold and there is no money to heat his orphanage. There are 37,000 places in Bulgaria's orphanages.



No Money To Feed The Children No Money To Heat The Orphanages

Bulgaria is a country in the midst of a serious economic crisis. Unless urgent help is sent, thousands of children will suffer terribly this winter.

There is little money to heat the orphanages. Orphanage Directors are having to beg for food from local villages and rarely know where the next meal is coming from. In some areas children, like Yordan, are going hungry and the cold could prove fatal for many children this winter. Without aid this could be catastrophic for Bulgaria's orphanage children.

The European Children's Trust, sister charity of The Romanian Orphanage Trust, is ready to distribute emergency food packs, clothes and fuel to the orphanages in most need.

Your gift today will save lives and bring hope. £28 could buy enough emergency food packs to feed 20 orphanage children for a week of hard six orphanages for 6 days.

Please send whatever you can to help children survive the winter or call 01273 299399 NOW.

I enclose £ to save Bulgarian orphanage children. Cheques to The European Children's Trust, FREEPOST Card no. Expiry date.

Signature Date

Mr/Ms/Miss/Ms Address Postcode

Telephone no. Return to: Tanya Barron, (IDS), Bulgaria Emergency Appeal, The European Children's Trust, FREEPOST KE8159, 64e Queen Street, LONDON, EC4B 4AR or call 01273 299399 NOW. Registered Charity No. 1048737



Please act NOW - winter is coming

Vicars, town elders, busybodies - spare us from improvements



COLIN WHEELER
MILLENNIAL DESTRUCTION

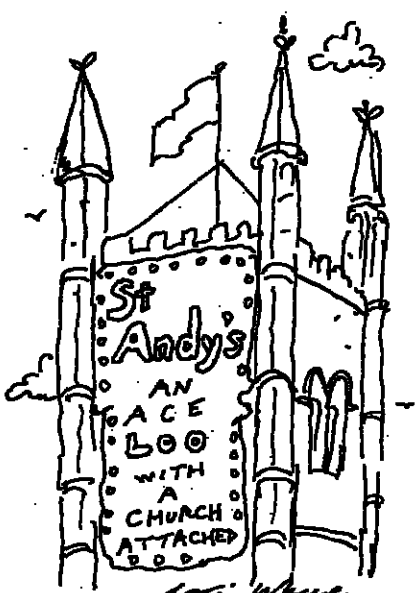
There is a singular reason that so many old and beautiful buildings have survived in our country: communities have been too poor to alter or replace them. Periods of economic prosperity, by contrast, give people the itch to start knocking things down or improving them, seldom successfully. Now, as it happens, a veritable deluge of money, from the National Lottery, has become available to those with plans to change our surroundings. This money sometimes provides real and valuable benefits, but it has also been the source of much that is meretricious, and even destructive.

The Church of England has been particularly drawn to this source of funds: and although in Synod there have been several attacks on the evils of the Lottery, down at parish level they have no such scruples. Vicars and their PCCs have dreamt up all sorts of plans that depend on Lottery cash.

My parish church of St Andrews in Surrey has come up with a scheme which it calls "church development", a pair of weasel words that actually mean church ruin. Imagine a beautiful, tranquil church, perhaps four- or five-hundred years old, situated in a market town. It has dawned on the

church authorities that the Lottery is giving away sackloads of money; all they have to do is invent a Millennium Project. What could be better than to modernise and make relevant the boring old church interior to "meet the needs of a modern congregation"? There are architects who will design this sort of thing. They specialise in the banal modern crematorium style of interior. Their favourite material is veneered medium-density fibreboard. Their forte is the building, inside centuries old churches, of lavatories, kitchens, meeting rooms and crèches. These latter day iconoclasts make Cromwell's efforts look half-hearted. They arbitrarily partition off great chunks of the interior, truncating and distorting spaces that are the essence of the original building. They rip up stone flags and replace them with user-friendly,

non-slip plastic floor tiles and tear down beautiful memorial tablets from the walls for relocation (dumping in the cellar).



Added impetus has been given to this scheme by what I call righteous devastation, also known as disabled access. Where a simple wooden ramp for wheelchairs would be adequate, a towering edifice of syn-

thetic building materials (the design of which could well be inspired by a DIY magazine) is planned - to the vast admiration of the loyal old ladies and T-shirted out-reachers to the community who make up the hard core of church supporters.

They all believe this will encourage a local outburst of spirituality but, having got the lavatories and kitchens, what if the head count does not improve? Will the church advertise its new more caring function? Perhaps a neon sign on each side of the tower with the slogan: JESUS SAVES THAT EMBARRASSING ACCIDENT - A PEE AND A PRAYER - ONLY 20P.

The degrading of our surroundings, financed by Lottery money, does not stop with churches. In towns and villages, local worthies who fancy themselves as art patrons apply for funding for art to celebrate the year 2000. Plans for Millennium Competitions are organised and the entries flood in. In my own town, a clock is planned to be sited in a tawdry, irredeemable Sixties shopping centre, which was built in its turn on the site of a street of 17th- and 18th-century buildings, enthusiastically destroyed by local bigwigs very similar to the

ones who now express an urge to beautify the town for the millennium. In fact, this scheme is little more than a gimmick to attract shoppers.

It is possible to create outdoor art that is amusing, elegant and witty; but this clock/sculpture will be little different in spirit and artistic content from a larger and more permanent version of a fold-up cardboard promotional figure in a supermarket aisle.

At £30,000 and 23ft high, this piece of millennium junk will paradoxically mark a new low point for the area. The organisers of the scheme required that the clock should refer to local people and history, that it should have visible moving parts and audible time signals, be attractive to children and act as a magnet to bring people in to the area. The drawings and models show a crude, clumsy concept that Disneyland would reject. Why not just build a merry-go-round?

Somewhere, no doubt, something good will be done with millennium funding, but on the whole it may well end up as a celebration of the kitsch and the meretricious, carried out by the ignorant and the crass, and financed in the main by those who can least afford it.

Cable & Wireless to raise £1bn by selling off holdings

Cable & Wireless yesterday pledged to raise £1bn over the next 12 months by selling businesses which it does not control. As *Cathy Newman* reports, C&W is spoilt for choice on what to dispose of first as it has holdings of 20 per cent or less in 50 companies world-wide.

Analysts said there were three businesses in particular that C&W would aim to sell. They reckon it could raise £450m from selling Bouygues Telecom, a French cellular telephone business; £100m from its stake in MTN, a South African cellular operation; and up to £1.2bn from Japanese cellular companies in markets such as Tokyo.

Robert Lerwill, finance director, said: "We will only continue to invest in companies we can get significant influence or control over."

C&W will continue focusing on Asia and Australia, the Caribbean and Central America, the US, the UK and parts of Europe. The company is however set to scale down its presence in Latin America and Africa.

Profits before tax and ex-

ceptional items were up 9 per cent at £797m, above analysts' expectations. As a result, the shares were hardly affected by sharp falls on the stock market. They closed just 7p down at 478p.

"We have been looking for double-digit growth from all our businesses and we've achieved that," Mr Lerwill said. He added that the figures were particularly pleasing, despite the negative impact of currency movements.

During the period, C&W spent £1.6bn on acquisitions in Panama and Australia, and on its continuing programme of capital expenditure.

Mark Lambert, telecoms analyst at Merrill Lynch, said Dick Brown's work since he was appointed chief executive just over a year ago had been encouraging. "The strategic image of C&W is building," he said. "The work Dick Brown has done and is telling us that he will do is encouraging to shareholders."

However, he added that C&W still faced problems because of the strong pound and the turbulence in the Far Eastern markets.

Some analysts were more positive, though. John Clarke, telecoms analyst at Daiwa Research Institute, said: "This is a company that's recovered its self-confidence. I and other

analysts will be upping our forecasts despite the rise of the pound."

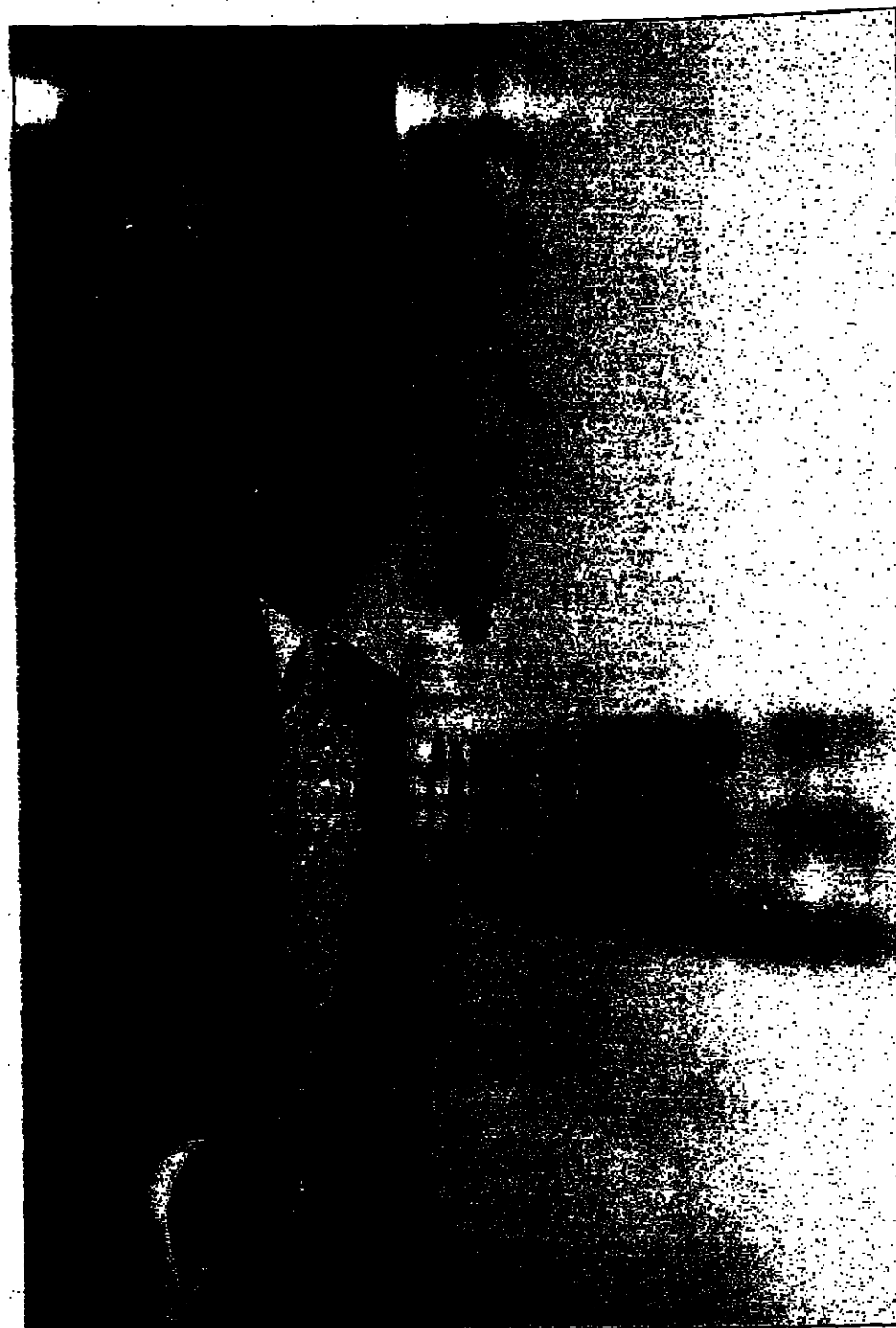
Yesterday's news was also accompanied by an announcement that Dr Brian Smith, chairman, would retire after the annual general meeting in June next year. He is to be succeeded by Sir Ralph Robins, who is chairman of Rolls-Royce and has been a non-executive director of C&W for three years.

Dr Smith has overseen the company through a difficult period of transition after the joint departure last year of Lord Young and James Ross as chairman and chief executive respectively. He said yesterday: "With Dick Brown and his new team now very well established, and the future clearly mapped out, I believe the time is right for me to prepare the way for my successor."

During the past six months, Mr Brown's strategic overhaul has resulted in several big deals. C&W's position in the UK has been boosted with the launch of Cable & Wireless Communications, Nynex, Bell Cablemedia and Videotron.

The interim dividend, up 10 per cent at 3.75p, will be paid as a Foreign Income Dividend (FID).

Investment column, page 27



Dick Brown, chief executive, is praised for boosting C&W's strategic image. Photograph: FT

Ernst & Young sees 17% rise in global income

Big accountancy firms argue that they are being forced to merge heavily in information technology and offices in emerging markets. But latest financial results from Ernst & Young hardly indicate a cash crisis, reports *Roger Tropp*.

Ernst & Young, the accountancy firm that last month announced plans to merge with rival KPMG, saw total UK fee income rise 15 per cent to £525m last year, according to Nick Land, a senior partner. Average profit per partner rose by twice as much, to £259,000, with Mr Land's own total pay package rising from £426,926 last year to £515,902.

Global fee income rose by 17 per cent, to \$9bn (£5.3bn), making the firm the world's largest tax practice and the second largest management consultancy.

Nevertheless, Mr Land, who was presenting the firm's second published annual report, repeated his assertion that the organisation had to link up with a firm such as KPMG if it was to keep up with rivals. "For us the business logic is ensuring that we're not at a competitive disadvantage," he said. Doubling the size of the firm, to create an organisation with revenues of about \$18bn, would help ensure it had the funds to do that, he added.

Though he acknowledged that it would be some months before regulators around the world decided on the fate of the unions being planned by E&Y and KPMG and Coopers & Lybrand and Price Waterhouse, he claimed he was more confident than ever both would be cleared.

Further consolidation at the top of the accountancy profession had been expected for some time. But the announcements, first by PW and Coopers in September and, then last month, E&Y and KPMG, of plans to create firms far bigger than Arthur Andersen, the current world leader with gross revenues last year of about \$10bn,

have shocked observers and led to concern among finance directors and chief executives about the threat to competition and the effect on fees.

But even in the field of audit, which has attracted the most speculation about such issues, there would still be sufficient choice for companies, Mr Land added. Arthur Andersen and Deloitte & Touche, the other two Big Six firms, would together audit about 35 per cent of the world's top companies.

Elsewhere, especially in management consultancy and corporate finance where accountancy-based firms competed with a variety of suppliers, it was not really a problem.

Moreover, even if the planned mergers were blocked, fundamental changes to the make-up of the profession were inevitable. Pointing out that the accountancy profession had become unstable, he predicted the forming of alliances, joint ventures and other arrangements. In addition, certain offices or practice areas might opt to leave one big firm for another or go out on their own.

Arthur Andersen and Deloitte & Touche, in particular, could be expected to try to "peel away people, offices or practices". Indeed, E&Y's business - like that of other similar firms - is already changing. Yesterday's figures showed that audit and other traditional accounting services accounted for a smaller share of income than last year, down from 37 to 34 per cent, while management consultancy's share rose from 17 to 21 per cent.

Meanwhile, Coopers and PW announced that "the first key milestone" in their plan to create a \$12bn global firm had been reached with the distribution of the 88-page merger proposal document and voting forms to their 8,500 partners around the world.

Voting is due to be completed by the end of this month, and the results announced in the middle of next month. If supported, detailed integration planning could then begin, but implementation will wait until it is known whether the regulators have announced their approval.

People & Business, page 28

CU growth disappoints shareholders

Investors in Commercial Union were yesterday disappointed by the insurance company's latest financial results. At prevailing exchange rates, profits for the nine months to September grew a pedestrian 3 per cent.

The results contrast with figures earlier this week from the rival General Accident, which announced a 23 per cent jump in profits. CU shares fell 7 per cent yesterday to 745p.

The strong pound was partly to blame. Under constant exchange rates, operating profits for the group grew 15 per cent.

Though performance was strong in the life sector, which accounts for just under half of CU's business, general insurance had a difficult time. The UK underwriting operation has lost £85m so far this year.

Despite yesterday's tumble in CU shares, analysts' remained pessimistic. "CU shares have been buoyed by recent takeover speculation," said one analyst. "I think a [share] price nearer to 700p would be more reasonable," added another.

— Lea Paterson

Investment column, page 27

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Arden Leisure (F)	2.0m (0.44m)	0.21m (0.11m)	0.23p (0.35p)	nil (-)
Berry Borch & Hodge (F)	4.1m (4.0m)	0.18m (0.36m)	1.3p (4.5p)	1.0p (1.0p)
British Energy (F)	871m (838m)	114m (418m)	11.3p (61.3p)	4.5p (4.5p)
Edgely (Q)	30m (20m)	0.1m (0.3m)	3.3p (3.5p)	nil
Ernst & Young (F)	22.7m (22.3m)	2.0m (1.8m)	4.8p (6.2p)	2.5p (1.0p)
General Accident (F)	46.8m (28.3m)	2.75m (7.74m)	12.5p (10.2p)	4.4p (3.5p)
Cable & Wireless (F)	3.4bn (2.9bn)	1.12bn (724m)	25.5p (16.1p)	3.75p (3.4p)
James Dicks (F)	43.4m (24.4m)	1.51m (1.45m)	10.1p (15.0p)	8.35p (6.05p)
Dragonair Health Clubs (F)	3.68m (2.97m)	0.61m (0.30m)	8.8p (6.3p)	0.95p
Electronics Components (F)	318m (233m)	52.4m (46.3m)	8.4p (7.5p)	2.5p (2.4p)
Energy Group (F)	2.01bn (1.88bn)	168m (161m)	4.5p (21.7p)	8p
Fenner (F)	267m (258m)	18.3m (12.5m)	12.22p (6.59p)	5.3p (6.0p)
Hasson Group (F)	3.2m (6.5m)	0.10m (4.22m)	0.26p (2.17p)	nil
Hamfords (F)	- (-)	52.9m (35.0m)	11.0p (7.2p)	2.5p (2.5p)
Imperial Chemicals (F)	81.4m (67.0m)	7.25m (8.05m)	10.9p (12.5p)	2.3p (2.1p)
Shirley India (F)	1.08m (1.09m)	4.8m (10.2m)	2.5p (6.7p)	2.5p (2.5p)
Valis Group (F)	55.5m (65.5m)	7.3m (6.3m)	17.4p (15.2p)	7.75p (7.25p)
Widdowson (F)	170m (150m)	17.1m (15.2m)	11.74p (10.34p)	4.7p (4.4p)
(F) - Full (Q) - interim				

BANK OF SCOTLAND BANKING DIRECT® INTEREST RATE INCREASE.

Bank of Scotland Banking Direct is pleased to announce that interest rates payable on Instant Access Savings Accounts have increased. Interest rates effective from 11th November 1997, are noted below.

BANKING DIRECT INSTANT ACCESS SAVINGS ACCOUNT

	Gross%*
Balances of £5,000 and above	7.00
Balances under £5,000	5.00**



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*Gross - The annual rate of interest payable without the deduction of lower rate tax to eligible non-taxpayers. Interest payable annually (monthly option available). **Interest rates on balances below £5,000 remain unchanged. Interest rates subject to variation. Bank of Scotland Banking Direct and ® are registered trademarks of The Governor and Company of the Bank of Scotland.

Savings are based on standard network recommended call rates, excluding discount or optional schemes and promotional offers. Vodafone comparison peak time on Business World tariff at r.p. Cellnet comparison peak time on Frequent Caller tariff at r.p.

551 من الاموال

Young
rise in
ome



OUTLOOK

ON THE SALE OF BZW,
MAYFLOWER'S BID
THAT NEVER WAS FOR
VICKERS, AND WHY
INTEREST RATES HAVE
NOT YET PEAKED

A bungled sale if ever there was one

Barclays is right to get out of investment banking, for plainly it has little talent for the fast-buck, wheeler-dealing attributes of this extraordinary industry. With negotiating skills of the type brought to bear on the disposal of BZW, it is amazing Barclays lasted as long as it did in the game. Nor is it any surprise that Martin Taylor, Barclays' chief executive, has been looking so frazzled of late. According to the rueful calculation of one disgruntled employee last night, BZW's equities and corporate finance arms were sold yesterday for rather less than half their annual revenues. That makes the investment bank probably Britain's cheapest company.

It is a terrible blow for Mr Taylor, whose cool, intellectual approach to business has been cruelly tested by the execution of this disposal. By general consent, it was the right deal but it came two years too late and was bungled disastrously. This is not a transaction likely to feature much in the promotional literature of Goldman Sachs, which handled the sale.

To put the price in context, Barclays is receiving about the same amount for the pretty substantial businesses it has sold to CSFB as NatWest paid for Hambro Magan, the little corporate finance boutique it snatched up recently during its own misguided foray into investment banking. While it could fairly be argued that NatWest was more than a little generous to George Magan and chums, the comparison is none the less an unflattering one. Despite its perceived problems, BZW is still a top-five player in British equity trading, corporate broking and equity research.

The price achieved for this business is but a fraction of the amount spent by Barclays building it up from the mid 1980s onwards. Earlier this year Barclays' share price was being talked up on the back of estimates that the investment bank could be flogged off for more than £2bn. Admittedly, the bids CSFB finally bought only represent around a third of the whole of BZW, but even so this is a dismal price.

CSFB emerges as a real winner, catapulting itself into the European big league in equities and advisory work for a snip. It deserves real plaudits for the way it played its cards, waiting for its main US rivals to abandon the chase so that in the end it was able to dictate its own terms.

What now for Mr Taylor? A charitable view of the deal was that it was the least-worst option. At least Barclays has avoided pouring any more good money down a bad hole. But high-flyers have further to fall than lesser mortals. Mr Taylor will have to work hard to restore his star status in the City.

A nasty dent for Mayflower

When investment banks are on the block and looking for the best price, there is always a danger they will overstretch themselves in their determination to prove their worth. Such appears to have been BZW's fate in advising Mayflower on the bid that

never was for Vickers. BMW's decision to bring proceedings to a grinding halt by threatening to stop making engines for Rolls-Royce has left considerable egg on face. The more serious damage, however, appears to be to the reputation of Mayflower's chief executive, John Simpson, who suddenly begins to look mortal.

Despite BMW's soothing words last night, it is hard to see how Mayflower can reverse out of this tight space without a nasty dent, having antagonised its two biggest customers in the space of a fortnight.

Mayflower appears to have thought it had obtained the tacit approval of BMW to proceed with its bid, or at least an understanding that the German car maker would remain neutral. Sadly, something appears to have been lost in the translation. BMW is itself intent on adding Rolls to its collection of faded British motor-making marques.

If Mr Simpson and Mayflower did not know this, then they cannot have been reading the motoring press for the last three years. How they came to misread the signals so disastrously is a mystery. Unless, of course, you subscribe to the other theory doing the rounds yesterday - that Sir Colin Chandler and Bernd Pischetsrieder have struck a sweetheart deal. BMW gets Mayflower's tanks off Vickers' lawn and in return is handed Rolls-Royce without the tiresome chore of an expensive auction.

Given BMW's connections with Rolls (it makes the engines) and Mr Pischetsrieder's sentimental attachment to the proud old names of British motoring, it must be in pole position. But to assume it will get Rolls at a knock-down price supposes that Vickers shareholders, led by Schroders with 20 per cent, are all fast asleep in the back seat. This is about as likely a scenario as Mayflower assembling a plausible bid.

Too optimistic on inflation

It should probably come as no surprise that the Bank of England's Inflation Report should start to show inflation hitting its target for the foreseeable future. The obvious question, if it did not, would be why had the Monetary Policy Committee not done something about it. For the report is no longer a critique of the Chancellor, but rather a justification of the new committee's decisions.

The trouble is, as Mervyn King, the Bank's chief economist, admitted yesterday, that the Bank is being unusually optimistic in its inflation forecast, which is predicated on interest rates staying at 7.25 per cent. The prediction assumes a convenient and sharp slowdown in growth, but one that keeps it below trend for only a few quarters before taking off again. What if the economy enjoys a few more quarters of boom before starting to slow significantly? Or what if other economists are right that inflation will not remain at

2.5 per cent without a more sizeable dip in growth?

In either of these scenarios, the Bank will find itself having to react month by month to the economic statistics. Take retail spending. Yesterday's report placed a lot of weight on a Mori survey showing that most of the £36bn free share windfalls would be saved, and said the effect was therefore fading. However, the survey was conducted in August and asked people whether they had spent or saved their windfall. Many who were saving it this summer could be spending it before Christmas. Even without the windfalls, incomes and wealth have risen strongly in the past year and will encourage consumers to have a very jolly festive season.

There are caveats, of course. World stock market turbulence casts a shadow over growth, as does the fear that the strong pound will eat into exports. Few would challenge the notion that the economy is going to slow next year.

There are also a lot of uncertainties in world financial markets which might spill over into growth. The Bank is therefore right to keep an open mind on interest rate moves. By the same token, however, it was also right to raise rates last week. More likely than not, the Bank will have to opt for another modest rise in rates before putting them on a downward path. The Bank has been consistently over-optimistic about inflation. If it is wrong again, interest rates will have to climb quite a lot higher. Eight per cent begins to look a more plausible peak than 7.5 per cent.

Etam goes to French group for £93m

Etam, the troubled womenswear retailer, has accepted a £93m takeover from its French namesake, Etam Développement. The deal brings together two separate companies founded by the same family in the 1920s. But it ends the hopes of the privately owned New Look of achieving a stock market listing via a reverse takeover. Nigel Cope, City Correspondent reports.

The deal ends weeks of speculation about the future of Etam which announced last month that it was in talks that could lead to a takeover. New Look which was tipped early on as the most likely bidder, said yesterday that it was approached by Etam earlier this year but had no plans to make a counter-offer. It will concentrate instead on organic growth but a stock market listing in the next couple of years is considered likely.

Etam Développement said the deal would bring together the different parts of the Etam brand to form a powerful force with almost 1,000 shops. The French division already has 700 outlets in France, Belgium, Luxembourg Spain and Germany. These operate under the Etam and "1.2.3" formats.

It is expected to spend around £300m over the next three or four years on turning around the loss-making UK company. Etam has 215 stores in the UK but has been struggling with poor buying and stock problems.

No store closures or head office cuts are planned. But the new French owners will focus on a faster roll-out of the new-format Etam store, which has achieved good results. It said the larger group would also benefit from greater buying power.

Etam Développement is offering 135p per share, valuing the group at £93m. This is a 25 per cent premium to the share price before bid speculation surfaced last month. Etam shares closed 13.5p higher yesterday at 133.5p.

It has already received irrevocable undertakings from the Oceana Group headed by Michael Lewis and other board members which account for 46 per cent of Etam shares. Oceana is taking the share alternative, which will give it 8 per cent of the enlarged group.

Etam was founded in 1916 in Germany as Establishments Mayer by Max Lindemann. Initially a manufacturer of stockings it moved into retailing in 1928 and the UK company was established in 1923. However, the businesses were always kept separate. In the UK Etam became known as "Everything To Attract a Man" with a high fashion, Essex-girl image.

The shops will keep their brand identity and Nick Hollingworth will remain chief executive. Five top managers from the French group will move to Britain to help run the UK business. Michael Lewis and Raymond Davies, two of the Etam board, will join the supervisory board of Etam Développement.

Last week Etam reported increased losses of £9.55m for the half year.



The Channel Tunnel: Eurotunnel's fares are expected to rise by 5-10 per cent next summer

Eurotunnel prepares to put fares up

Eurotunnel yesterday forecast that fares on cross-Channel routes would rise by up to 10 per cent next year, buoyed by the imminent approval for the P&O-Stena ferry merger which is expected to lead to cuts in capacity and firmer prices.

The forecast came as the Channel Tunnel operator announced that it had fully recovered from last November's fire on board a freight shuttle, with traffic numbers slightly up on their levels a year ago.

Bill Dix, Eurotunnel's commercial director, said he expected its fares to rise by 5-10 per cent next summer - increasing the price of a standard £169 return car journey by up to £17. He also forecast that some of the excessive fare promotions of last summer, such as trips across the Channel for £1, would disappear. Eurotunnel is due to unveil its new fare structure in mid-December.

Turnover in the third quarter was up marginally on a currency-adjusted basis to £132m and Eurotunnel said it was on course to meet or exceed its target of a £54m operating profit before interest charges for the full year.

Last month the tunnel carried 242,345 cars against 241,273 in October 1996, giving it a market share of 45 per cent. Mr Dix said it was on course to reach 50 per cent. Eurostar meanwhile carried 516,000 passengers in October compared with a little over 498,000 a year ago.

Eurotunnel regained market leadership on the Dover-Folkestone-Calais freight market with a 32 per cent share although lorry numbers are still down on a year ago. Eurotunnel plans to start running three additional freight shuttles next September, increasing its capacity by 25 per cent.

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French investigators raid Crédit Lyonnais offices

Two French judges raided the headquarters of state-owned Crédit Lyonnais bank as part of an investigation into its activities in the late 1980s and early 1990s. Investigating magistrates, Eva Joly and Jean-Pierre Zano, accompanied by other court officials, entered the company's administrative offices in central Paris. The raid is part of a long-running investigation into the bank's dealings when it was under the management of Jean-Yves Haberer, who was appointed by the late Socialist President, François Mitterrand. Under his management Crédit Lyonnais nearly went under after an ill-fated expansion drive that briefly made it the world's largest bank outside of Japan. During the period the bank indulged in what the European Commission called a "bulimia of investments and acquisitions" only to find that world events were moving against it. The total cost to the public for bailing out Crédit Lyonnais is expected to reach anything up to Fr170bn (£17.3bn).

Rock raises mortgage rates

Northern Rock yesterday announced an increase in its mortgage rates of a quarter of a percentage point following last week's interest-rate rise by the Bank of England. Existing borrowers will immediately pay 8.7 per cent on variable rate mortgages, up from 8.45 per cent. Adam Applethorpe, executive director, said: "There is a clear danger, if lenders do not respond to the recent modest Bank of England rise, that there will be a larger rise to follow. In looking to cushion borrowers, it makes more sense to act now rather than play games by holding off a rise and so put borrowers at risk of being hit harder in the future." The difference between variable rates and five-year, fixed-rate mortgages has now grown to an unprecedented 2.7 per cent. If customers buy Northern Rock buildings insurance, they can now obtain a rate of 5.99 per cent fixed over five years. Savings rates will also be raised from 1 December.

Ryanair profits take off

Ryanair Holdings, the operators of the no-frills airline, has reported a 50 per cent increase in after tax profits to £12.4m in the six months to September. Total revenue passengers grew to 2.06 million in the first half. Ryanair is launching a winter schedule with a 37 per cent increase in capacity growth over last winter. It includes two new routes, Dublin-Istanbul and London-Oslo. Ryanair is in talks with Boeing and Airbus regarding four new aircraft.

Lasmo increases reserves

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TAI joins Airbus

Tusas Aerospace Industries said it has been admitted to the military Airbus consortium as a full member after three years of trying to join. It will make cabin parts for Airbus military cargo planes, namely the central fuselage, the front access ramp and the doors. The partnership will give TAI a business volume of \$2bn (£1.2bn) over the next 15 years.

Royal moves into Chile

Royal & SunAlliance has agreed to acquire from La Camara Chilena de la Construcción a 40 per cent stake in Chilean life assurance company, La Construcción, for around £75m cash, of which £34m will take the form of new equity in La Construcción. The agreement contains an option for Royal & SunAlliance to increase its holding to 51 per cent after 31 December 1998, and put and call options through which it could increase its holding to 100 per cent. La Construcción is the third-largest Chilean life assurance company with a 1996 market share of around 8 per cent.

Harman set to unveil second-tier pensions for low earners

Plans to bring the eight million who make no private pension provision within second-tier arrangements will form the centre piece of the Government's pensions review, to be published within two weeks.

Pension providers are meanwhile urging the Government to privatise Serps, the state earnings-related pension scheme. Andrew Verity looks at the options facing Harriet Harman, social security minister.

At a conference this week, Ms Harman said that the Government's proposals would be aimed primarily at the third of the working population, equal to 8 million people, who are blocked from saving for retirement because of a poor pensions regime.

Ms Harman told the City Forum conference on low-cost pensions: "The present system does not provide everybody with the opportunity to build a secure retirement."

"Across Britain there are millions of working men and women who are locked out of the non-state second pensions market because of intermittent or low earnings, part-time working and unstable employment. Doing nothing for these

people is not an option."

Ms Harman and her deputy, John Denham, are set to propose a new category of low-cost, second-tier pension, to be called a stakeholder pension, following a consultation exercise which ended last week. The key criterion for the new pension is that it is cheap, allowing low-income groups to participate.

But the consultation has unveiled dramatic differences between pension providers, who are overwhelmingly in favour of full privatisation of Serps, and Labour's grassroots supporters, who insist it must be kept in state hands.

Under the present system, national insurance contributions pay for the basic state pension and Serps. If savers want a

private pension, they can elect to have their national insurance paid into a private scheme which must guarantee benefits at least equivalent to Serps.

Private providers, including Standard Life, Norwich Union and Friends Provident, are pressing the Government to abolish Serps and replace it with private schemes including the new stakeholder pension.

By making private, funded schemes compulsory, providers argue that sales costs, which at the moment make up 46 per cent of the cost of pensions and eat up over half of the first two years' contributions, can be sharply reduced.

Standard Life claims a poll of 1,874 people conducted by Mori produced 53 per cent sup-

port for compulsory private schemes. Andrew Black, marketing manager, said: "People accept that compulsion may be necessary to make sure that saving for retirement is translated into reality. It is our view that compulsion will certainly be necessary if the Government is to achieve its aim of pension coverage."

The National Association of Pension Funds, which represents employer-sponsored schemes controlling more than £300bn of assets, is urging that employers and employees pay a total of 10 per cent of earnings into a funded scheme.

The Engineering Employers Federation is pressing Labour to reverse a reform introduced in 1988 without which there

would have been no pension mis-selling scandal. Under its proposal, employers could once again compel employees to join their own, in-house pension scheme.

Ms Harman said stakeholder pensions would be based on industry, occupation or locality and would have to be specially approved by regulators, or "kitemarked". They would have much lower charges than personal pensions and should not penalise people who move from one job to another.

While personal pensions were originally advertised as being portable between jobs, there are in fact heavy penalties levied on those who leave personal pensions for better occupational schemes.

NatWest presents case for Whitbread takeover of Greenalls

MARKET REPORT



DEREK PAIN

An impressive case for Whitbread to take over the under-performing Greenalls pubs and hotels chain is made by investment house NatWest Securities.

Greenalls has been a big disappointment since it retreated from brewing to concentrate on retailing and wholesaling. Its shares have crashed from 633p last year to 315p, closing unchanged at 367.5p.

NatWest maintains Greenalls' management does not have "a credible strategy" to improve the group's display and is "on a path on which it is destined to continue destroying the value of the company".

A hostile bid is not expected. Assets are around 382p a share and a bidder is unlikely to offer much of a premium. A "friendly merger" is a more "workable option". But such a deal would force

Whitbread, firm at 794p, to abandon the beverage, a move it has strongly denied features in its corporate thinking.

Yet the resulting group would be in a powerful position. It would be the largest pub chain, able to dictate terms to the remaining brewers. And Greenalls' up-market De Vere hotels would blend with Whitbread's Marriott hotel operations.

Rumours of takeover bids have intensified since Greenalls rolled out a profits warning in September. Allied Domecq and Rank are names in the frame.

The rest of the stock market suffered another dull, erosive day with more Far Eastern squalls, a cautious Bank of England view on inflation and higher interest rate fears combining to squeeze down on shares with Footsie at one

time off 113.3 points, ending 73.3 lower at 4,720.4. Supporting shares were also hit. A strong sterling display took a cruel toll of exporters.

With Footsie nearly 600 points below its peak, achieved only six weeks ago, there are growing uncertainties about the direction of shares. The shake-out is making many private investors anxious as they see profits evaporating. To some extent the decline is self-feeding with the market now in one of its moods when it ignores positive signs, dwelling remorselessly on bad news.

In such a climate it is a flight to quality and defensive stocks. Marks & Spencer, with Panmure Gordon drawing attention to its European operations, scored on the quality argument, up 1p at 584p; utilities were buoyed on their defensive merits with Thames

Water leading the way, up 21.5p gain to 878.7p.

Among those hit by sterling's strength were engineer Siebe, meeting analysts and fund managers tomorrow, down 31p to 1,069p and Glyndwr International, down 12p to 221p. Imperial Chemical Industries retreated 24p to 841p.

Results met a mixed response. Commercial Union

tumbled 55p to 745p although figures were in line with market expectations. The strong pound and a rumoured BZW downgrade did the damage. British Energy's confident interim statement lifted the shares 13p to 385p.

Barclays' cut-price BZW sale left the shares limping along at 1,480p, off 23p. Vickers, as Mayflower was harassed by BMW, the German car maker, into abandoning its takeover ambitions, fell 18p to 235.5p; Mayflower held at 176.5p.

Takeover activity provided some action. Eam rose 13.5p to 133.5p on the £93m French bid. Care First, the troubled nursing homes chain, put on 12p to 153.5p as Bupa's £241m offer was rejected; the market is looking for an American counter at around 170p.

Taylor Nelson, the marketing information group, fell

2p to 72p after disclosing it was in advanced talks to acquire for cash and shares French rival, Sofres. A rights issue is likely.

Workplace Technologies, a computer services company created by a MBO from ICL two years ago, rose to 309.5p from a 175p placing. Oxford Instruments fell 51.5p to 350p on a profit warning.

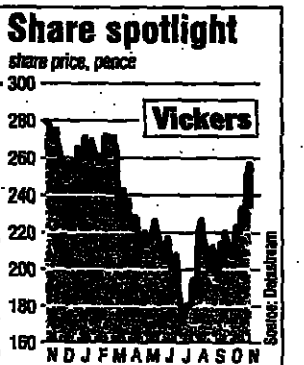
Some of the smaller resources shares perked up. Minmetals added 1p to 6.75p on "encouraging" progress in the Devon gold hunt by its Oxford subsidiary, Credent Minerals, up 2p at 19p. United Energy hardened to 18p on a US drilling report. Gaelic Resources' expansion programme lifted the shares 0.25p to 3.75p.

Acorn Computer held at 145p. Lehman Brothers placed at 130p the 15 per cent acquired from the Italian Olivetti group earlier this year.

TAKING STOCK

Loss-making Ronson, the luxury goods group, fell 1p to a 10p low on rumours the would-be bidders are preparing to walk away. The presence of the as yet unidentified predators was revealed in August. When it produced a £5.3m interim loss last month Ronson said talks continued. Flamboyant Howard Hodgson moved in on the former brewing business two years ago and the shares subsequently touched 65.5p. But the group ran into difficulties. Mr Hodgson, who left in June, was blamed for the slump.

European Mining Finance held at 22p as rebel shareholders removed three directors, including chief executive Christopher Hall. Gordon Montgomery and ex-Parkman John Goodger were voted on to the board. In the nine months to end September EMF lost \$504,000.



High Low Stock				Price Chg YTD PER				52 week High Low Stock				Price Chg YTD PER				52 week High Low Stock				Price Chg YTD PER											
Alcoholic Beverages								Food Producers								Gas Distribution															
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COMPUTER SYSTEMS

Global deflation is a good scare story but where's the evidence?



DIANE COYLE
ON THE
FINANCIAL
WORLD'S
LATEST FAD

It is always a surprise to realise the extent to which fads and fashions dominate the world's financial centres. This is not a question of sartorial trends, although red braces and ties with dollar signs have had their bouts of popularity. It is more to do with the story the analysts and salesmen and traders tell to try and make sense of the trends in the markets and predict what will happen next.

All of a sudden everybody in the markets is talking about global deflation, a scare story of falling prices, industrial overcapacity and trade wars, all triggered by the Asian crisis. Like any myth, this has elements of truth. The notion that the world economy is poised for a rerun of the 1930s with nobody willing or able to buy a glut of goods is a logical possibility. It is just that there is absolutely no foundation for it in the evidence.

Let's try to give the new deflationists the benefit of the doubt. There is a good case to be made that as the slide in Asian stock markets and currencies drags on, the outlook for the still-fragile Japanese economy will get worse and the spillovers into the rest of the OECD will be bigger

than anybody first thought. Each day of falling share prices in Japan, South Korea and Hong Kong magnifies the impact.

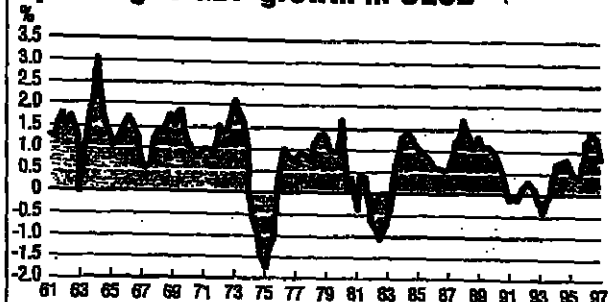
As far as the UK is concerned, the spillover effect could be quite large, according to a new report from investment bank Kleinwort Benson. Economist David Owen predicts that GDP growth will slow sharply, to 1.7 per cent, in 1998, partly because turmoil in Asia will add to the effects of the strong pound, higher interest rates and tight fiscal policy.

He sees several channels through which a sharp slowdown in the Far East will affect the UK. One is a drop in exports to the region, and rise in imports from it, because of the exchange rate change. The pound has climbed more than 50 per cent against the Thai baht and about 33 per cent against the Malaysian ringgit and Indonesian rupiah. Exports of British goods to Asia (including Japan and China) amounted last year to nearly 3 per cent of GDP. Exports of services were equal to about 2 per cent of GDP.

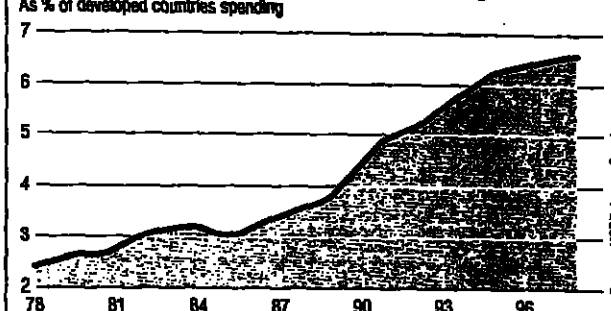
In addition, Britain has been a big investor in East Asia, and earnings remitted from those investments were equivalent to about 3 per cent of GDP. In other words, the scale of the British economy's vulnerability to a slowdown in Asia is more than twice as big as the exposure through trade in goods, the figure normally cited.

However, if Mr Owen is right, Britain is a special case. Other countries are less exposed to the former tigers. In total the 10 biggest Asian economies' imports were worth about as much as total US imports last year, but this includes Japan - where demand was already sluggish before this year - and China and Taiwan, which have not slowed down. So growth prospects in countries other than the UK will have been dimmed for the same reasons by the Asian crisis but the extent is still unlikely to be huge.

Contribution of investment spending to GDP growth in OECD



Asian tigers' investment spending



Economists at James Capel, for example, predict domestic demand growth in the region next year will be 5.4 per cent, compared with their pre-crisis forecast of 8 per cent. This is a significant slowdown in an increasingly important market for OECD exports, but not an implosion or meltdown - popular as these words have become with many commentators.

But the global deflation story does not rest just on weaker exports to Asia. The argument is that the world has significant overcapacity and is producing too much for demand to absorb it all following the slowdown in the small but once rapidly-growing Asian economies. These countries, it is argued, will use their weaker exchange rates to slash prices of their exports.

In turn this will slow growth in the OECD economies as their imports rise and exports fall, raising unemployment and reducing domestic demand. Eventually the entire global

economy will be characterised by weak demand, excess capacity and falling prices. Trade tensions will grow as the US deficit balloons again, especially vis-à-vis Japan; and Congressional refusal to grant President Clinton "fast track" authority in trade negotiations is an early warning of 1930s-style protectionism.

What are the flaws in this story? The first point is that there is no evidence of global overcapacity except in one or two industries like semiconductors, steel and cars. The problems afflicting prominent manufacturing sectors are taken as symbolic of the whole economy, when this is far from the truth.

The new report from James Capel shows that the contribution of investment spending to GDP growth within the OECD has been on a long-term downward trend although it is currently near a cyclical high. Investment spending by the Asian tigers, or ex-tigers, has grown very rapidly during the

past decade. However, much of this has been on domestic infrastructure. The net addition to world industrial capacity has been relatively small.

Author Keith Skeoch writes: "It is far from certain that global capacity is expanding as quickly as it did in the 1950s and 1960s, when inflation was low but there was no tendency towards deflation, and many of the same arguments were levelled against rapidly industrialising Japan."

So the overcapacity part of the deflation story might be logically possible but in practice it is not very important. Likewise with the trade part of the story. Asia, excluding Japan, happens to be in deficit to the rest of the world - they import more from us than we import from them, by a likely \$30bn this year. The sharp devaluations of currencies will eventually trim this deficit and boost Asian exports.

This will only be deflationary in a global sense, however, if world export demand is slowing down. The continuing rumblings of the stock market might eventually slow growth in the US and Europe - although the Dow remains 20 per cent up in the past 12 months - but for now the signs are that demand growth is strong to accelerating. The US and UK are at full capacity and Europe is recovering. The recent IMF forecasts predicted growth in world GDP of above 4 per cent for the next five years and even faster world trade growth. Both will be boosted when agreements liberalising financial services and telecommunications come into effect before the millennium.

So again, a sharp slowdown in world demand, such that increased Asian exports could not be absorbed without deflation, is a possibility. But it is far from being a probability. The trouble is that the storyline "Somewhat slower growth than we first thought" is nowhere near as attention-grabbing as "The sky is falling". It will be a while before global deflation goes out of fashion.

PEOPLE & BUSINESS

JOHN WILLCOCK



All merger negotiations are haunted by the spectre of Who Gets The Top Job, none more so than the current talks between accountancy behemoths KPMG and Ernst & Young. Mike Rake, the chief operating officer in charge of KPMG's side of the talks, ruffled various feathers on 24 October when he sent a firm-wide e-mail to KPMG colleagues saying he had got the top job of senior partner in the newly merged firm.

The memo, sent to all UK partners, also said that E&Y's ebullient head boy, Nick Land, would become UK chief executive. However, when Mr Rake sent his memo no vote had yet been taken on the merger, as this week's *Accountancy Age*, the bean-counters' weekly, points out. Three days after the first memo Mr Rake sent a second one saying that, of course, these decisions were all subject to a vote by partners.

A KPMG spokesman was unimpressed by the suggestion yesterday that any KPMG partners could have been upset by Mr Rake's eagerness with the news of his ascent. "It's absolute twaddle. There is no story," he said. "Mr Rake was going on holiday to Spain when he sent the first memo late on a Friday afternoon. He then realised he should point out that partners would vote on it, and sent another early on the Monday morning."

So that's all right then. I'm sure all partners will be eager to rubber stamp Mr Rake's elevation when they're given the chance.

Not many people can claim to have been born in Manhattan, attended King's College, Cambridge, have driven the night shift in a New York taxi, own an extensive Roman coin collection and run their own PR firm in the City. Henry Gwenter is that man. Our fast-talking hero has just jumped ship from the City consultancy Financial Dynamics to set up on his own with a firm called Positive Profile.

There's just Henry and one other at the moment, and he's going on a hiring spree for

staff - and clients. He already has a dozen clients, he said, drawn from his days as head of FD's financial services side. Henry told me of FD's financial services side. Henry told me of FD's financial services side.

He describes himself as "an expert in disaster containment and control," which may owe something to his eight years in County Natwest, which straddled the Blue Arrow episode. He is a product of Bronx High School of Science in New York, which has produced a higher number of Nobel prize winners than any other educational institution, he said. So what's he doing in City PR?

Oh God, it's started. I've just received my first Christmas card of 1997, from the Association of Unit Trusts and Investment Funds (Autif). Just to rub it in, I've also unpacked my first 1998 pocket diary, courtesy of NM Rothschild. I can feel the party bangovers already.

Sam Chisholm's farewell agm as managing director and chief executive of BSKyB may be the company's chairman, Gerry Robinson, would prefer to forget. As David Chance, BSKyB's soon-to-retire deputy managing director, told shareholders of BSKyB's plans for digital TV, Mr Robinson attempted to show a video to illustrate the speech. To no avail. Shareholders started to utter as Mr Robinson struggled with the video apparatus. Rupert Murdoch, meanwhile, looked on in stony silence.

Finally Mr Robinson gave up and took to the stand to tell the meeting: "We have got an alternative plan where we act out the video." The shareholders loved it. Mr Murdoch was not amused.

Co-operation Ireland, a charity set up in 1987 to encourage greater contacts and understanding between the communities north and south of the border, is launching a lawyers support group in London this week. Supported by Allied Irish Bank, *The Lawyer* magazine and London law firms Collyer-Bristow and Magrath & Co, the launch has attracted a clutch of high profile names. Supporters include Michael Ashe QC, Michael J. O'Brien QC, Kevin Maxwell's lawyer, and Richard Ferguson QC, who was involved in the Guildford Six and Rose West cases.

Michael Keane, an executive director of Morgan Stanley in London and a council member of Co-operation Ireland, said such initiatives are aimed at bringing people together from all communities and dispelling the prejudices which have underpinned the Troubles. "If we can change attitudes then we can build a lasting peace in Ireland for the next generation," Mr Keane said.

The charity's chairman is Terry Neill, managing partner of Andersen Consulting, and its deputy chairman Professor George Bain, Principal of London Business School.

Foreign Exchange Rates

Country	Spot	1 month	3 month	D-Mark
UK	10000			0.5860
Australia	24500	24500	24500	0.5870
Austria	20000	20000	20000	0.5870
Belgium	36000	36000	36000	0.5870
Canada	24000	24000	24000	0.5870
Denmark	10000	10000	10000	0.5870
ECU	14500	14500	14500	0.5870
France	65000	65000	65000	0.5870
Germany	23000	23000	23000	0.5870
Greece	46000	46000	46000	0.5870
Italy	13000	13000	13000	0.5870
Japan	12500	12500	12500	0.5870
Korea	28000	28000	28000	0.5870
Malaysia	58000	58000	58000	0.5870
Norway	33000	33000	33000	0.5870
Sweden	27000	27000	27000	0.5870
Switzerland	10000	10000	10000	0.5870
US	10000	10000	10000	0.5870

Other Spot Rates

Country	Spot	Dollar
Argentina	10000	0.0000
Brazil	10000	0.0000
China	10000	0.0000
Czech Rep	10000	0.0000
Egypt	10000	0.0000
Ghana	10000	0.0000
India	10000	0.0000
Indonesia	10000	0.0000
Kuwait	10000	0.0000
Nigeria	10000	0.0000

Interest Rates

Country	Rate	Term
UK	7.25%	Discount
France	5.50%	Discount
Germany	5.50%	Discount
Italy	5.50%	Discount
Japan	5.50%	Discount
US	5.50%	Discount

Bond Yields

Country	3m	1yr	2yr	5yr	10yr
UK	5.50%	5.50%	5.50%	5.50%	5.50%
France	5.50%	5.50%	5.50%	5.50%	5.50%
Germany	5.50%	5.50%	5.50%	5.50%	5.50%
Italy	5.50%	5.50%	5.50%	5.50%	5.50%
Japan	5.50%	5.50%	5.50%	5.50%	5.50%
US	5.50%	5.50%	5.50%	5.50%	5.50%

Money Market Rates

Country	Rate	Term
UK	7.25%	Discount
France	5.50%	Discount
Germany	5.50%	Discount
Italy	5.50%	Discount
Japan	5.50%	Discount
US	5.50%	Discount

Life Financial Futures

Contract	Settlement	High	Low	Settlement
Long Gilt	Dec-97	100.00	100.00	100.00
Short Gilt	Dec-97	100.00	100.00	100.00
Long Euro	Dec-97	100.00	100.00	100.00
Short Euro	Dec-97	100.00	100.00	100.00

Life FTSE 100 Index Option

Series	Call	Put	Call	Put
Dec-97	100.00	100.00	100.00	100.00
Jan-98	100.00	100.00	100.00	100.00
Feb-98	100.00	100.00	100.00	100.00
Mar-98	100.00	100.00	100.00	100.00

Energy

Contract	Settlement	High	Low	Settlement
Long Oil	Dec-97	100.00	100.00	100.00
Short Oil	Dec-97	100.00	100.00	100.00
Long Gas	Dec-97	100.00	100.00	100.00
Short Gas	Dec-97	100.00	100.00	100.00

Industrial Metals

Contract	Settlement	High	Low	Settlement
Long Aluminum	Dec-97	100.00	100.00	100.00
Short Aluminum	Dec-97	100.00	100.00	100.00
Long Copper	Dec-97	100.00	100.00	100.00
Short Copper	Dec-97	100.00	100.00	100.00

Precious Metals

Contract	Settlement	High	Low	Settlement
Long Gold	Dec-97	100.00	100.00	100.00
Short Gold	Dec-97	100.00	100.00	100.00
Long Silver	Dec-97	100.00	100.00	100.00
Short Silver	Dec-97	100.00	100.00	100.00

Agricultural

Contract	Settlement	High	Low	Settlement
Long Wheat	Dec-97	100.00	100.00	100.00
Short Wheat	Dec-97	100.00	100.00	100.00
Long Corn	Dec-97	100.00	100.00	100.00
Short Corn	Dec-97	100.00	100.00	100.00

Other Softs

Contract	Settlement	High	Low	Settlement
Long Coffee	Dec-97	100.00	100.00	100.00
Short Coffee	Dec-97	100.00	100.00	100.00
Long Sugar	Dec-97	100.00	100.00	100.00
Short Sugar	Dec-97	100.00	100.00	100.00

Latest Unit Trust Prices

Fund	Set	Buy	Yld
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%

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Bloomberg

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Fund	Set	Buy	Yld
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%
AIM Growth Trust Ltd	100.00	100.00	5.50%

150

The number of coaches sacked by Beto Zini since he took over as president of Brazilian club Guarani in 1988, Zini, known as "The Extremator of the Present" due to his habit, resigned on Monday but returned yesterday "until somebody who is found who is capable of replacing me." He has employed five coaches this year - compared to eight in 1986.

MacLaurin regrets ignoring his instincts in battle for two divisions

Lord MacLaurin has admitted he made a mistake in his failed attempt to create a two-division County Championship.

It could all have been so different if the head of English cricket had not surrendered his wicket so easily, says Nick Duxbury.

The linseed and leather brigade should have been straining at the leash this winter in anticipation of a new two-division County Championship come the first rays of summer. Instead, what the players and the public will get is the same, tired, old format.

Why? Because as Lord MacLaurin, the former big bird among the frozen turkeys at Tesco, said yesterday, he let the ostrich-like county chairman have their way.

It all began so well. MacLaurin, the chairman of

the England and Wales Cricket Board, was determined to turn English cricket into a more competitive force both domestically and internationally through two divisions.

For that he had the support of the players, sponsors, broadcasters and a public desperate to see cricket brought into the modern age complete with the prospect of cut and thrust promotion/relegation fights.

But MacLaurin lost a vote at September's meeting of the First Class Forum, who decided the Championship would

remain unchanged, although they did adopt a two-division one-day league.

It now transpires that what MacLaurin should have done is padded up and gone in waving a bat above his head.

"Maybe in retrospect we didn't go about it in the best possible way, but you can always be wise after the event," MacLaurin said on Radio Five Live.

"I did one fundamental thing wrong - when we presented Raising the Standard we produced the three-conference style which the County

chairmen didn't like. All the research I did told me that a two-division County Championship was the one that everybody wanted. The sponsors, the broadcasters and the players all wanted it, but 14 out of the 18 County chairmen said they didn't and wouldn't have it under any circumstances.

"We then produced the three-conference system and they didn't like that either. If I had been true to my business instinct, which I should have been in retrospect, I would have put the two-division County

Championship in the original document. We would have had the argument before rather than later and who knows what the outcome might have been?"

MacLaurin's main motivation for championing two divisions is his concern about cricket's income.

"With a two-division Championship you have something you can sell to sponsors - the television companies are interested, you have promotion and relegation and you have all the local excitement," he said.

"Not a lot of people watch county cricket, but it's the bedrock of producing Test players. If our players aren't playing really competitive cricket right the way through the season then I think their performance at Test level is suffering a bit - the players tell me that."

"I have to persuade the chairman that their financial position is fully protected."

Each county receives £1m a year from Lord's and there is a "misconception" that counties in the second division would lose their pot of gold.

"The counties are the centre of excellence for our cricket and our cricketing future," said MacLaurin, as he began the fightback from 1-0 down in the series.

Scottish breakaway descends into farce

The proposed breakaway by top Scottish clubs was thrown into further chaos yesterday when an important ballot was dismissed as "pointless and meaningless" by the breakaway sides.

The Scottish Football League management committee had voted in favour of requesting the institution of court proceedings on behalf of the League against the president and the five elected representatives of the Premier Division teams. The proposal was carried by six votes to five, but the Premier Division sides claim that the ballot was affected by the non-attendance of Eric Riley, because of a delay in flights from the United States.

The six want to overturn a decision at the last committee meeting when the Premier League breakaway 10 got the go-ahead to put their wish to retire from the league to a special meeting of all clubs next Tuesday.

But, even before that action is taken in the courts, Premier representatives have called another meeting of the management committee next Tuesday to overturn what happened today.

Lex Gold, spokesman for the Premier teams, was swift to denounce the vote. "Today's vote is both pointless and meaningless. Having taken the detailed advice of senior counsel, we are extremely confident that this declaration will not be granted by any court as it, in effect, seeks to ask the SFL to sue itself. This is beyond the powers of the League Management Committee."

"At today's meeting, we tabled legal advice prior to the vote being taken which showed that the motion was incompetent. This was done to allow the representatives from divisions one, two and three to pull back from the brink."

"We are going to proceed on the time frame we were on and that decision will be shown to be incompetent, so it will not be getting in the way."

"You cannot have clubs suing themselves, which is what they are looking for. And, technically, it is not going to make

any difference. Alongside that, we are now starting to get discussions with a range of clubs - although not necessarily in the formal representative phase we have been going through."

"We are just saying we are wasting time with this procedural wranglings. Be aware that it is going to happen."

The Celtic defender Alan Stubbs has not fractured the bone around an eye socket, as was first feared. Stubbs was carried off just 15 minutes into Saturday's Old Firm meeting with Rangers at Ibrox after an accidental mid-air collision with Marco Negri.

Tests were delayed until yesterday to allow the swelling around the eye to settle down. The verdict will be a relief to Stubbs, who had feared being out for up to six weeks after the initial reading of the damage from the Celtic physiotherapist, Brian Scott.

Such was the intense pain that Stubbs admitted he feared a break. However, despite the positive medical report, Stubbs will not be in line for an immediate return as heavy bruising remains around the eye.

The main concern will be in heading the ball again, and the former Bolton man is unlikely to have recovered by this time next week.

That effectively rules him out of contention for this season's second Old Firm league game at Parkhead on 19 November. A more realistic target is the Scottish Coca-Cola Cup final against Dundee United at Ibrox on 30 November.

The Celtic general manager Jack Brown said: "I am pleased to say the specialist has confirmed Alan does not have a fracture. However, the eye socket remains swollen and tender. The timescale for recovery is uncertain, his condition will be monitored daily."



Paul Jones, the Wales goalkeeper, fails to stop Rivaldo scoring the second Brazilian goal in the hosts' 3-0 win in a friendly international in Brasilia on Tuesday night

Gary Neville out of England squad for Cameroon match

Gary Neville last night became the latest participant in Sunday's Arsenal v Manchester United match to pull out of Glenn Hoddle's England squad for the friendly international with Cameroon on Saturday. Neville has withdrawn with a hamstring injury.

The Manchester United defender picked up the problem in the Old Trafford side's 3-2 defeat at Highbury. The injury forced 22-year-old Neville to sit out Monday's first training session at the England squad's Bisham Abbey headquarters.

Hoddle had been hoping that Neville would recover in time to be available for the Wembley encounter with the West African side. But Neville was reluctantly packing his bags and heading back to Manchester for treatment last night, alongside his Old Trafford team-mate Teddy Sheringham.

Neville joins knee victim Sheringham, his United colleague Gary Pallister (back) and the Arsenal defender Tony Adams (ankle) in dropping out of the 25-man squad Hoddle named last Friday.

Rusedski suffers as Sampras makes all the right moves

Greg Rusedski's adventure as Britain's first representative among the world's elite at the ATP Tour Championship began to fade after yesterday's round-robin defeat by Pete Sampras.

John Roberts, in Hannover, explains why it was no time for the British No 1 to wake up with a twinge in his thigh.

Shortly before serving for the opening set against Greg Rusedski yesterday, Pete Sampras lay flat on his back on the court, awaiting medical attention. The problem was not match-threatening, merely a nosebleed, the consequence, perhaps, of being so high for so long.

Rusedski, a newcomer to the altitudes of the sport, was the player with real difficulties, both physical and psychological. A taut hamstring in the right thigh restricted Rusedski's movement, and his upward mobility was limited further by a vast improvement in Sampras's performance on the second day of the ATP Tour Championship.

The brilliant American had defeated the Canadian-born Rusedski in their five previous matches, starting with Rusedski's Wimbledon debut and continued the sequence, 6-4, 7-5, after 76 minutes.

Unfortunately for Rusedski, while he was experiencing twinges of pain, his opponent was refreshed, having worked the staleness out of his game during his defeat on Tuesday by Spain's Carlos Moya. "It was a wake up call," Sampras said.

"I was kind of in a do-or-die situation today. Either I was going to be making flight plans over the weekend, or I was not."

Rusedski is the one likely to have the airport on his mind. Having lost his opening matches against Sampras and Australia's Pat Rafter, the British No 1 is scheduled to complete his three round-robin matches in the Red Group against Moya tonight. Rusedski had requested a day off for further treatment, but the show goes on.

Eight double-faults compounded Rusedski's misery yesterday. "I just couldn't push up, that was the problem," he said, indicating his right foot. "Trying to play against Sampras when you are not 100 per cent fit is not the easiest of tasks. I couldn't go for certain balls. I was probably about a step or a step and a half late on certain balls that I normally would get to."

As far as Sampras was concerned, Rusedski seemed to be serving "pretty hard" and moving "fine". "I couldn't sense any hobbling out there," he said. Then again, the American was probably too busy sharpening up his own game, having admitted that he "felt a little flat" in the match against Moya.

Having complained about the slowness of the concrete court and the heaviness of the balls after losing to Moya, Sampras found that the same conditions worked to his advantage when faced with Rusedski's attacking game. The Briton, in fact, was forced to defend most of the time.

His first double-fault created a break point for Sampras in the opening game, the error being erased with a service winner. Sampras did not lose a point on his first two service games and then broke for 3-2,

confidently passing Rusedski with a forehand.

In the following game, when Rusedski did make some headway on Sampras's serve, the American swept away a break point with an angled backhand volley. Rusedski subsequently saved three break points in a seventh game notable for three double-faults and two aces.

Sampras's progress was interrupted for three minutes by a time-out for the treatment to his nose. "I happen to get a number of bloody noses through the year," he said. "It was a bad one. Wouldn't stop for a while. But once it's gone, it's gone."

The trainer remained for the opening game of the second set, sitting on Sampras's chair like a stray Davis Cup captain, but Rusedski was the player who seemed in greater need of treatment, for frustration as much as physical stress.

He threw his racket to the court after missing a shot down the line that would have given him a break point in the fourth game. Rusedski had a better opportunity to create a break point at 30-30 in the eighth game, but dumped a backhand approach into the net.

His eighth double-fault set Sampras up for the kill in the 11th game, the American converting the opportunity with a forehand cross-court pass off a second serve.

Rusedski's coach, Tony Pickard, was far from disheartened with his new protégé's performance. "It's the first time he's made it here, and he lost to No 1 and No 3 in the world, not 153 or something," he said. "I would say he was only 75 per cent fit today. You can't help what happened. That's it in a nutshell."

THE INDEPENDENT CROSSWORD
No. 3455, Thursday 13 November By Mass Wednesday's solution

1	2	3	4	5	6	7	8
9							10
11							
13	14			15			16
18							19
21		22		23			24
25				26			
27							28

ACROSS

- Grasped most of yokel's language? (6)
- Call? Bird's a peacock (8)
- Show point in flex for convertible (10)
- Falling against Diamonds (4)
- Brother with colic turned green (8)
- See short tie in display (6)
- What's the difference? (4)
- Salt, bit on salad herb (8)
- French dessert, mainly (otherwise, a Greek dish) (8)
- Barks from horses? (4)
- Reminded by report that's filed (6)
- Generous peach drink's imbibed (8)
- Henry's following suitable course (4)
- Critical point, touchy one among staffs (10)
- Time-worn, unorthodox creed, mine (8)
- Is endlessly severe about votary (6)
- Additional headache, losing Bishop (5)
- Bracelets, fake, about 100 carried by a German (9)
- Deliberate fraud involving hack (4,2)
- Such may be found in the ranks? (4,9)
- Preference for suit must get established (8)
- One has to look up name of the drink? (5)
- Confederate attachment (9)
- 'Give one the needle' could be in a clue to this (9)
- Pushy, putting limits on debts (9)
- Adept's heard to improve on disability (8)
- Diets? Shows signs (6)
- Announce source of oil's no good (5)
- Jog like a streaker without hint of garments (5)

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